DUN'S REVIEW

COMMERCIAL AND BANKING FAILURES FROM OFFICIAL RECORDS
COMMODITY PRICE INDEX ~ BANK CLEARINGS REPORTS

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VOL. 39, NO. 1972

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Published by
R.G. DUN & CO.

The oldest and largest Mercantile Agency in the World
Established 1841

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PUBLISHED BY

R. G. DUN & CO., 290 BROADWAY, NEW YORK

The Oldest and Largest Mercantile Agency in the World

ESTABLISHED 1841

Editorial Offices . 290 BROADWAY, NEW YORK

W. A. CRANE, Financial Editor — QUINCY ADAMS, Acting Editor — RAYMOND BRENNAN, Associate Editor

CONTENTS - JULY 11, 1931

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SURVEY OF INDUSTRY—SECOND QUARTER, 1931

By Quincy Adams

SYNOPSIS

Seven definitely favorable factors are brought out in this Survey:

1. INDUSTRIAL PRODUCTION AND SALES IMPROVE RELATIVELY—

Industrial production and sales in the first quarter were both approximately 30 per cent. under the levels prevailing a year previous. Production in the second quarter was only about 15 per cent. and sales about 18 per cent. lower than those of the same quarter in 1930.

Production and sales are therefore proportionately better than they were in the first quarter of this year. The evidence of change in the general policy of curtailment is particularly encouraging since it comes to hand at the conclusion of a three month period normally marked by declining activity and retrenchment.

2. INVENTORIES REDUCED AND WRITTEN DOWN—

The results of the survey indicate a decline of 14.6 per cent. in inventories on a unit basis and a decrease of 20.1 per cent. in their values.

There is every indication at present that liquidation and revaluation have been carried out conscientiously in the majority of industries, which are thereby placed in a position to benefit materially from a sustained recovery in activity.

3. SALARIES AND WAGES WELL MAINTAINED—

In recent months so much has been heard of individual cases of wage and salary cuts that the conviction has grown, that for industry as a whole, both were on a substantially lower basis than they were at this time in 1930. The average of all concerns reporting for this survey, showing salaries of office workers 11.7 per cent. lower than they were a year ago and wages of other than office workers 7.6 per cent. under 1930 would not tend to confirm this impression but would rather connote that during the past year payments to workers have been very well maintained.

4. COMMODITY PRICE DECLINE INTERRUPTED—

Although present commodity prices are well below those of 1930 and 1929, the long decline was checked on July 1st when Dun's Index Number rose to $146.591 and showed the first increase in 21 months. This was a gain of .706 cents over the June 1st figure. When prices began to fall in August 1929 the Index Number stood at $192.206. In the following month it dropped to $192.004 and from then on a further loss was shown each month. On June 1st of this year the Index had reached $145.885, a level which corresponded to that of July 1916.

5. SECOND QUARTER FAILURES SHOW FAVORABLE TREND—

The liability total of the failures of the second quarter was 7.2 per cent. below that for the second quarter of 1930.

June, 1931 failures were 1.6 per cent. lower in number and 19 per cent. lower in liabilities than those of June 1930.

In the last week of June 1931, 5.1 per cent. fewer failures occurred than in the same week of 1930.

6. SALES OF ESSENTIALS DECLINE SLIGHTLY—

The best comparisons with 1930 appeared in the sales of essential industries. The meat packing industry sold 3.7 per cent. more units in the second quarter of the current year than in the same period of 1930. Comparatively slight declines from a year ago were shown in sales of chain and department stores and in sales of food products, leather, tobacco and electrical equipment. The inference from this is that retail trade has experienced a smaller recession from last year than the majority of industries.

7. INDUSTRIAL ACTIVITY RECEDES MODERATELY—

Our Index of Industrial Activity based upon pig iron production, building contracts, bank clearings outside New York City and electric power and bituminous coal production, stood at 63.9 per cent. for March 1931. By June it had declined 6.8 per cent. to 57.1 per cent. For the six years from 1925 to and including 1930 the average seasonal recession for this portion of the year has amounted to 9.6 per cent.

According to these significant indicators the decline in activity was less than usually occurs in this period. This is an encouraging development since it would seem to mean that industry held its own very well during the second three months of this year.

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This data was compiled from sources believed to be authentic, but its accuracy is not guaranteed.

NAME OF TRUST	INDUSTRIAL																							
	Air Reduction Co.	Allied Chemical & Dye Corp.	American Can Co.	American Radiator & S. S. Mfg. Co.	American Smelting & Refining Co.	American Tobacco Co. "B"	Borden Co.	Corn Products Refining Co.	Drug, Inc.	E. I. du Pont de Nemours & Co.	Eastman Kodak Co.	General Electric Co.	General Foods Corp.	General Motors Corp.	Ingersoll Rand Co.	International Harvester Co.	International Nickel Co. of Canada	Kennecott Copper Corp.	Liggett & Myers Tobacco Co. "B"	Loews, Inc.	National Biscuit Co.	National Dairy Products Corp.	Otis Elevator Co.	Paramount Publix Corp.
1. A B C TRUST SHARES—"D"		4	4			4	4			4	4	4				4			4		4		4	
2. A B C TRUST SHARES—"E"	4				8				8	4				12			28			8		8		8
3. ALL AMERICA INVESTORS CORP. TRUST SHARES—"A"			2		5	2	3			3	1	4				3					3		5	
4. ALL CANADIAN COMMON STOCK TRUST SHARES—"A"																	20							
5. AMERICAN BANK STOCKS TRUST SHARES																								
6. AMERICAN COMPOSITE TRUST SHARES		4	8		16		12	8		8	4	16			4	8					16		12	
7. AMERICAN INDUSTRIES PARTICIPATION SHARES		2	2	8		4				6	2	8	4	4		8		4			4		8	4
8. AMERICAN INVESTMENT TRUST SHARES							10			10		15				5					5			
9. ASSOCIATED NATIONAL SHARES		2				2	4			4	2	4				4					4		4	
10. ASSOCIATED STANDARD OILSTOCKS SHARES—"A"																								
11. ASSOCIATED UNION TRUST SHARES—"A"	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2		2	2	2	2		2	2
12. ATLANTIC NATIONAL TRUST SHARES—"A"																								
13. AUTOMOTIVE PARTICIPATION SHARES														50										
14. BASIC INDUSTRY SHARES			5	20		6				10		16			5	8					7		12	
15. BASIC INSURANCE SHARES—"A"																								
16. BUCKEYE TRUST SHARES																								
17. BUSINESS RECOVERY TRUST SHARES				8									6	6			20	8		4		6		
18. CANADIAN INTERNATIONAL TRUSTEE SHARES						3				3	3	3									3		3	
19. CAPITAL TRUST SHARES—"A"		2				2	2			2	2	2			2	2					2		2	
20. CHAIN STORE SHAREOWNERS, INC.									1															
21. COLLATERAL TRUSTEE SHARES	1	1	1	4	1	2	2	1	3	1	1	4	4	2		1	3			1	2	2		1
22. COLONIAL INVESTORS SHARES—"A"					3	1		1		3½	1	4		2½		4		2		1	1		1	
23. COMBINED TRUST SHARES—RAILS—IND.—UTIL.			4			4						6		8		4								
24. COMBINED TRUST SHARES OF S. O. GROUP																								
25. CONSOLIDATED TRUST SHARES				4		4	4			4	4	4			4	4					4		4	
26. CORPORATE TRUST SHARES				4		4				4	4	4			4	4					4		4	
27. CUMULATIVE TRUST SHARES		100	100	200	100	100	100			200	100	300				100					100		100	10
28. DEPOSITED BANK SHARES SERIES N. Y.																								
29. DEPOSITED BANK SHARES N. Y.—"A"																								
30. DEPOSITED BANK SHARES N. Y.—"B-1"																								
31. DEPOSITED INSURANCE SHARES—"A"																								
32. DETROIT BANK SHARES																								
33. DIVERSIFIED TRUSTEE SHARES—ORIGINAL						10				35	5							16						
34. DIVERSIFIED TRUSTEE SHARES—"B"							8			6		16			6				4		10		16	
35. DIVERSIFIED TRUSTEE SHARES—"C"	5	5	5	5	5		5			5	5	20			5	5		5			10		20	
36. EQUITY TRUST SHARES IN AMERICA		2	4			2	6			6	2	6				6					6			
37. FIRST BANK TRUST SHARES—SERIES "A"																								
38. FIRST BANK TRUST SHARES—SERIES "B"																								
39. FIRST CUSTODIAN SHARES		4	4	8	4	4	4			4	4	8				4					4		4	
40. FIVE YEAR FIXED TRUST SHARES				8	3					2		3		4		3		5				3		3
41. FIXED TRUST OIL SHARES																								
42. FIXED TRUST SHARES			5	5		3				3		4			5	2					3		3	
43. FOUNDATION TRUSTEED SHARES	1	1	1	4	2	1	2	1	1	1	1	2	2	4		1	4	2	1	2	2	2	2	2
44. FUNDAMENTAL TRUST SHARES—"A"	2	2	2		2	4	2	2	2	2	2	2	2	2		2			2		2		2	2

Supplement to Dun's Re

NALYSIS OF 94 PROMI

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290 Broadway

Stocks held by a comparatively small number of trusts were considered as belonging in the miscellaneous group. Upon request,w

ALS																	OILS																					
Otis Elevator Co.	Paramount Publix Corp.	Proctor & Gamble, Inc.	Pullman, Inc.	R. J. Reynolds Tobacco "B"	Sears, Roebuck & Co.	Standard Brands, Inc.	Timken Roller Bearing Co.	Union Carbide & Carbon Corp.	Union Tank Car Co.	United Fruit Co.	U. S. Steel Corp.	Westinghouse Electric & Mfg. Co.	F. W. Woolworth Co.	162 miscellaneous industrial common stocks	1 industrial preferred stock	Number of industrial companies	Atlantic Refining Co.	Humble Oil & Refining Co.	Imperial Oil, Ltd.	Ohio Oil Co.	Prairie Pipe Line Co.	Standard Oil Co. (California)	Standard Oil Co. (Indiana)	Standard Oil Co. (Kentucky)	Standard Oil Co. (New Jersey)	Standard Oil Co. (New York)	Standard Oil Co. (Ohio)	Texas Corp.	Vacuum Oil Co.	34 miscellaneous oil common stocks	1 oil preferred stock	Number of oil companies	American Gas & Electric Co.	American Power & Light Co.	American Tel. & Tel. Co.	Columbia Gas & Electric Corp.	Commonwealth & Southern Corp.	Commonwealth Edison Co.
4								4			4	4	4			15						4			4			4				3			4	4		
	8				8			8				4	8	256		29														36		1				12		
5								4			2	2	5	5		15						4			4			5				3		3	1	4		1
														170		14			20											20		2						
12		12						12			4	4	16			17						16			12			16		20		4			4	12		4
8	4				2						2	2	4	46		27							4		8			4				3			4		32	
				10				10			10	5	10			10									20							1			5	10		
4		4						4		4	2	2	6			15									6	6		6				3			2			
									20							1	10	5	25	10	10	10	20	20	20	30	5		10	25	3	16						
2	2	2	2	2	2		2	2			2	2	2	30		48						2			2			2		2		4	2	2	2	2		2
														218		12																						
12			4				6				7	3	5	5		15						4	4		8	8			3			5			8			
		10					10							160		16				20							10					2						
			4		4	10								178		20				8										20		3				6		
3											3		3	100		12			25						3			3				3			3			
2		2						2			2		2			14						2			2			2				3			2			
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1			1	1	1			3			1		2½	3		20						1			1	1		1		1		5		1	1			
											4			8		8									4							1			4	7		6
									24					6		2	8	8	8	20	6	8	8	8	10	10	8		8	72		28						
4										4	4	4	4			14						4			4	4		4				4			4			
4										4	4	4	4			13						4	4		4	4		4				5			4			
100		100		100				200			100	100				17						200	200		200			100				4	100	200	100			
											5	7		10		7						5	5		5	5			5			5			5			
16											4		10	16		13									6			6	12			3	6		4			4
20		5		5	5			5		5	5	5	5	5		23	5				5	5			5	5		5		5		7			5	5		5
		4						6			4	4	4			14						6			6			8				3			4			
4								8			4	4	4			16						4			8			8				3		4	4	4		
	3				3	9		2				2		22		17									3				3			2					14	
									12					4		2	13			9	15	25	36	14	39	33	5	24	13	38		15						
3			2				3				7	3	2	5		15						4	4		8	8			3			5			8			
2	2		1	2	1	4	1	2		1	1	1	2	73		70	2				2	2	2	2	2	4		2		2		9		1	1	1		1
2	2				2			2			2	2		2		23						2	2		2							3			2	2		
								2			2	2		2		22						2	2		2							3			2	2		

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							4			4	4	4			15
8				8			8				4	8	256		29
							4			2	2	5	5		15
													170		14
	12						12			4	4	16			17
4				2						2	2	4	46		27
			10				10			10	5	10			10
	4						4		4	2	2	6			15
								20							1
2	2	2	2	2		2	2			2	2	2	30		48
													218		12
		4				6				7	3	5	5		15
	10					10							160		16
		4		4	10								178		20
										3		3	100		12
	2						2			2		2			14
				1								1	32		35
1		1	3	1	5	2	2		1	1	1	1	19		46
		1	1	1			3			1		2½	3		20
										4			8		8
								24					6		2
									4	4	4	4			14
									4	4	4	4			13
	100		100				200			100	100				17
										5	7		10		7
										4		10	16		13
	5		5	5			5		5	5	5	5	5		23
	4						6			4	4	4			14
							8			4	4	4			16
3				3	9		2				2		22		17
								12					4		2
		2				3				7	3	2	5		15
2		1	2	1	4	1	2		1	1	1	2	73		70
2				2			2			2	2		2		23

OILS

Atlantic Refining Co.	Humble Oil & Refining Co.	Imperial Oil, Ltd.	Ohio Oil Co.	Prairie Pipe Line Co.	Standard Oil Co. (California)	Standard Oil Co. (Indiana)	Standard Oil Co. (Kentucky)	Standard Oil Co. (New Jersey)	Standard Oil Co. (New York)	Standard Oil Co. (Ohio)	Texas Corp.	Vacuum Oil Co.	34 miscellaneous oil common stocks	1 oil preferred stock	Number of oil companies	American Gas & Electric Co.	American Power & Light Co.	American Tel. & Tel. Co.	Columbia Gas & Electric Corp.	Commonwealth & Southern Corp.	Commonwealth Edison Co.
					4			4			4				3			4	4		
													36		1				12		
					4			4			5				3		3	1	4		1
		20											20		2						
					16			12			16		20		4			4	12		4
						4		8			4				3			4		32	
								20							1			5	10		
								6	6		6				3			2			
10	5	25	10	10	10	20	20	20	30	5		10	25	3	16						
					2			2			2		2		4	2	2	2	2		2
					4	4		8	8			3			5			8			
			20							10					2						
			8										20		3				6		
		25						3			3				3			3			
					2			2			2				3			2			
					1			1	1		2		1		5			1	3		
					1			1	1		1		1		5		1	1			
								4							1			4	7		6
8	8	8	20	6	8	8	8	10	10	8		8	72		28						
					4			4	4		4				4			4			
					4	4		4	4		4				5			4			
					200	200		200			100				4	100	200	100			
					5	5		5	5			5			5			5			
								6			6	12			3	6		4			4
5				5	5			5	5		5		5		7			5	5		5
					6			6			8				3			4			
					4			8			8				3		4	4	4		
								3				3			2					14	
13			9	15	25	36	14	39	33	5	24	13	38		15						
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Review, Issue of July 11, 1931

NENT FIXED TRUSTS

ic Department

UN & CO.

New York City

uest, we shall be glad to furnish specific information regarding trust holdings in this classification or upon any other phase of the

UTILITIES																			RAILS																	
Commonwealth & Southern Corp.	Commonwealth Edison Co.	Consolidated Gas Co. of New York	Con. Gas, Elec. Lt. & Power Co. of Baltimore	Detroit Edison Co.	Electric Bond & Share Co.	Electric Power & Light Corp.	International Tel. & Tel. Corp.	North American Co.	Pacific Gas & Electric Co.	Pacific Lighting Corp.	Public Service Corp. of New Jersey	Southern California Edison Co.	Standard Gas & Electric Co.	United Gas Improvement Co.	Western Union Co.	51 miscellaneous public utility common stocks	11 miscellaneous public utility preferred stocks	Number of utility companies	Atchison, Topeka & Santa Fe Railway Co.	Atlantic Coast Line Railroad Co.	Baltimore & Ohio Railroad Co.	Canadian Pacific Railway Co.	Chesapeake & Ohio Railway Co.	Delaware & Hudson Co.	Delaware, Lackawanna & Western Railroad Co.	Illinois Central Railroad Co.	Louisville & Nashville Railroad Co.	New York Central Railroad Co.	Norfolk & Western Railway Co.	Northern Pacific Railway Co.	Pennsylvania Railroad Co.	Southern Pacific Co.	Southern Railway Co.	Union Pacific Railroad Co.	16 miscellaneous railroad common stocks	2 railroad preferred stocks
		4						4						4	4			6	4			4					4	4			4	4		4		
						8	20									36		5																		
	1	2		1				3		4		5		8		2		12	1	2		6				2		2	1	4	4	2		1		
																70		7				15														
	4	8	8	4	8			8	16					24				10	4	4		16			8	8		4			12	8		4		
32		4		2	36		6		6				4			12		10	2	2						2		2		4	6		2	2	2	4
		10						10						20				5	5									5			15					
		4		2										6	2			5	2							4		2	2		4	4		2		
	2	2	2	2	2		2	2	2	2	2			2		4		17	2				2					2			2			2	2	
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		2												2				3																		
		4					3		1		1	2		1		1		9		1	1	4	4	1		1		1	1		2	1	1	1	2	
		2					3	1	1		1	1	1					9								1	1	1		1	1		1	1		
	6		4		6		4	6			8	8	4	8		20		15	2	4						4		2		6	6	4				
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		100			200				200					300	100			8	100									100			200	100		100		
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		6						6						16				4	2							4		2			6			2		
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		2			2	2	2	2	2		2	2						10	2									2			2			2		
		2			2	2	2	2	2		2	2						10	2									2			2			2		

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N & CO.

New York City

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UTILITIES																RAILS																					
Con. Gas, Elec. Lt. & Power Co. of Baltimore	Detroit Edison Co.	Electric Bond & Share Co.	Electric Power & Light Corp.	International Tel. & Tel. Corp.	North American Co.	Pacific Gas & Electric Co.	Pacific Lighting Corp.	Public Service Corp. of New Jersey	Southern California Edison Co.	Standard Gas & Electric Co.	United Gas Improvement Co.	Western Union Co.	51 miscellaneous public utility common stocks	11 miscellaneous public utility preferred stocks	Number of utility companies	Atchison, Topeka & Santa Fe Railway Co.	Atlantic Coast Line Railroad Co.	Baltimore & Ohio Railroad Co.	Canadian Pacific Railway Co.	Chesapeake & Ohio Railway Co.	Delaware & Hudson Co.	Delaware, Lackawanna & Western Railroad Co.	Illinois Central Railroad Co.	Louisville & Nashville Railroad Co.	New York Central Railroad Co.	Norfolk & Western Railway Co.	Northern Pacific Railway Co.	Pennsylvania Railroad Co.	Southern Pacific Co.	Southern Railway Co.	Union Pacific Railroad Co.	16 miscellaneous railroad common stocks	2 railroad preferred stocks	Number of railroad companies	Bank of America, N. A.	Bank of New York and Trust Co.	Bankers Trust Co.
					4						4	4			6	4			4					4	4			4	4		4			7			
			8	20									36		5																						
	1				3		4		5		8		2		12	1	2		6				2		2	1	4	4	2		1			10			
													70		7				15															1			
																																					6
8	4	8			8	16					24				10	4	4		16			8	8		4			12	8		4			9			
	2	36		6		6				4			12		10	2	2						2		2		4	6		2	2	2	4	10			
					10						20				5	5									5			15						3			
	2										6	2			5	2							4		2	2		4	4		2			7			
2	2	2		2	2	2	2	2			2		4		17	2				2					2			2			2	2		6			
																																				1	10
												5			2								4	5	4		3	8	4	3	4			8			
													20		2																	10		1			
													4		2																						
													100		6	3			25						3			3						4			
											2				3																						
				3		1		1	2		1		1		9		1	1	4	4	1		1		1	1		2	1	1	1	2		14			
				3	1	1		1	1	1					9								1	1	1		1	1		1	1			7			
4		6		4	6			8	8	4	8		20		15	2	4						4		2		6	6	4					7			
												4			3	4			4					4	4			4	4		4			7			
												4			3	4							4	4	4			4	4		4			7			
		200				200					300	100			8	100									100			200	100		100			5			
																																			13	3	16
																																			40	6	30
	6				15	28				11⅛					6						5		5	5	4				5		5			6			
									4		20	4			7	4	4					6			4		4	4				4		7			
5	5				5	5					5	5			10	5			20			5	5	5	5			5	5	5	5			10			
					6						16				4	2							4		2			6			2			5			
																																			10		6
																																			10		6
					4	4					8				7	4									4			4			4			4			
		3		5	2								18		6																						
												5			2								4	5	4		3	8	4	3	4			8			
1		2			1	2		2	2	1	4	1			14	1	1		1	1		1	1	1	1	1	1	2	1	1	1	4		17	1		
		2	2	2	2	2		2	2						10	2									2			2			2			4			

s of July 1, 1931

BANKS																			INSURANCE																		
Bank of New York and Trust Co.	Bankers Trust Co.	Brooklyn Trust Co.	Central Hanover Bank and Trust Co.	Chase National Bank	Chatham Phenix National Bank and Trust Co.	Chemical Bank and Trust Co.	Corn Exchange Bank Trust Co.	Empire Trust Co.	First National Bank	Guaranty Trust Co.	Irving Trust Co.	Manhattan Company	National City Bank	New York Trust Co.			46 miscellaneous bank stocks	Number of banks		Aetna Life Insurance Co.	Boston Insurance	Connecticut General Life Insurance	Continental Insurance Co.	Fidelity-Phenix Insurance Co.	Globe & Rutgers Insurance Co.	Great American Insurance Co.	Hartford Fire Insurance Co.	Home Insurance Co.	Insurance Co. of North America	Travelers Insurance Co.	U. S. Fidelity & Guarantee Insurance Co.			25 miscellaneous insurance stocks	Number of insurance companies	TOTAL SHARES OF STOCK IN UNIT	TOTAL NUMBER OF COMPANIES IN UNIT
																																				124	31
																																				484	35
																																				121	40
																																				315	24
	6			12						2	10		8				46	15																		84	15
																																				392	40
																																				274	50
				10														1																		200	20
																																				106	30
																																				223	17
																																				150	75
1	10	1	6	10	5	16	5			1	10	5	10	4			47	26																		131	26
																																				268	13
																																				194	30
																					1		10	10	1		5	20	10	1				64	15	122	15
																																				240	21
																																				292	35
																																				295	25
																																				40	20
																																				35	35
																							1												1	120	75
																																				61½	41
																																				155	31
																																				212	30
																																				112	28
																																				112	28
																																				4800	34
3	16	3	7	30	20	25	14	25	1	3	40	20	8	8			31	19																		267	19
6	30	6	12	30	35	60	25	60	1	7	90	40	30	18			71	19																		561	19
																	109	15																		109	15
																				12	1	8	12	10	1	20	10	15	10	1	20			191	29	311	29
																	60	10																		60	10
																																				219½	24
																																				200	30
																																				300	50
																																				130	26
	6		3	8	9	14	6			2	20	10	8	4			13	16																		118	16
	6		3	8	9	14	6			2	20	10	8	4			13	16																		113	16
																																				144	30
																																				120	25
																																				286	17
																																				130	30
				1		2	1				2	1	1				3	10					2			4	2	2	1					14	10	228	130
																																				82	40
																																				80	40

37. FIRST BANK TRUST SHARES—SERIES "A"																											
38. FIRST BANK TRUST SHARES—SERIES "B"																											
39. FIRST CUSTODIAN SHARES		4	4	8	4	4	4			4	4	8				4					4		4				
40. FIVE YEAR FIXED TRUST SHARES				8	3					2		3		4		3		5				3		3			
41. FIXED TRUST OIL SHARES																											
42. FIXED TRUST SHARES			5	5		3				3		4			5	2					3		3			2	
43. FOUNDATION TRUSTEED SHARES	1	1	1	4	2	1	2	1	1	1	1	2	2	4		1	4	2	1	2	2	2	2	2		1	
44. FUNDAMENTAL TRUST SHARES—"A"	2	2	2		2	4	2	2	2	2	2	2	2	2		2			2		2		2	2			
45. FUNDAMENTAL TRUST SHARES—"B"	2	2	2		2	2	2	2	2	2	2	2	2	2		2			2		2		2	2			
46. INCOME TRUST SHARES		2	2			1				2	1	6				1					2		1				
47. INDEPENDENCE TRUST SHARES		1	1			1	1	1		1	1	1		1		1					1						
48. INVESTMENT TRUST SHARES—"A"			5			5												5			5		5			5	
49. INVESTMENT TRUST SHARES—"B"			5			5												5			5		5			5	
50. INVESTORS TRUSTEE SHARES—"A"		2	2		6	4			8	6	2	8		10		8		4		4				6			
51. LEADERS OF INDUSTRY SHARES—"B"		4		4		2				8		16			2	4					12		8		4		
52. LEADERS OF INDUSTRY SHARES—"C"		4		4		6				8		16			2	4					12		8		4		
53. LOW PRICED SHARES																	50										
54. MAJOR CORPORATION SHARES		5		5	5	5	5			5	5	5			5	5					5		5		5		5
55. MICHIGAN SHARES—"A"																											
56. NATIONAL INDUSTRIES SHARES—"A"						4				4	4	4			4	4			4		4		4		4		
57. NATIONAL TRUST SHARES		100	200	400	300	200	200	200		200	100	300		200							200		200		300		
58. NATIONAL UNITS OF AMERICA SHARES		4		16	12	8	8			12	4	16			4	16					8		16				8
59. NATION-WIDE SEC. CO. TR. CTFS.—"B"		1	2	3	2	4		1		3	1	6		19		3	3	5	4		3	3	1	1			1
60. NEW YORK BANK TRUST SHARES																											
61. NORTH AMERICAN TRUST SHARES				4		4				4	4	4			4						4		4				
62. OIL AND NATURAL GAS SHARES																											
63. OLD LINE INSURANCE SHARES—"B"																											
64. POWER AND RAIL TRUSTEED SHARES																											
65. PUBLIC SERVICE TRUST SHARES—"A"												4															
66. RAILROAD INVESTMENT SHARES																											
67. REPRESENTATIVE TRUST SHARES	10		5		15	5	10		10	10		20	10	20		10					10				10		15
68. SECOND CUSTODIAN SHARES		4	4	8	4	4	4			4	4	8				4					4		4				
69. SELECT STANDARD OILS—PARTICIPATION																											
70. SELECTED AMERICAN SHARES		2	3		5					5	2	8				6					7	8					
71. SELECTED INCOME SHARES		3	4			6	10			8	4	20				9					10						
72. SHORT TERM TRUST SHARES					1								2	2			4					2					2
73. STANDARD AMERICAN TRUST SHARES		1	1		2	2	2			1	1	3				2					2						
74. STANDARD COLLATERAL TRUSTEED SHARES	1	1	1	4	3	2	2	1	1	3	1	4	2	2	1	3			1		2	1	4	1		1	1
75. STANDARD OIL INVESTMENT SHARES—"A"																											
76. STANDARD OIL TRUST SHARES																											
77. SUPER CORPORATIONS OF AMERICA TRUST—"A"		4	4			4	4			4	4	12				8			4		8		4		4		
78. SUPER CORPORATIONS OF AMERICA TRUST—"B"		4	4			4	4			4	4	12				8			4		8		4		4		
79. SUPER CORPORATIONS OF AMERICA TRUST—"C"		4	8			8	8			12	4	28				12			4		12		8		4		
80. SUPER CORPORATIONS OF AMERICA TRUST—"D"		4	8			8	8			12	4	28				12			4		12		8		4		
81. TRUST FUND SHARES		1	2		3	2	3			2	1	3			1	3					3		3				
82. TRUST SHARES OF AMERICA			2				4			5	2	7				2					5						
83. TRUSTEE FOOD SHARES—"A"							12	8					16								12	16			12		
84. TRUSTEE STANDARD INVESTMENT SHARES—"C"		4	8			8	12			8	4	12			4	8			8		12		16		12		16
85. TRUSTEE STANDARD INVESTMENT SHARES—"D"		4	8			8	12			8	4	12			4	8			8		12		16		12		16
86. TRUSTEE STANDARD OILSHARES—"B"																											
87. TRUSTEED AMERICAN BANK SHARES																											
88. TRUSTEED NEW YORK CITY BANK STOCKS																											
89. TWENTIETH CENTURY FIXED TRUST SHARES		2				2	2			2	2	2				2					2						2
90. TWO YEAR TRUST SHARES				15										10			20			5		5		5			
91. UNITED FIXED SHARES	4		4	4	4	4	4	4		4	4	4			4	4					4		4				
92. U. S. ELEC. LIGHT & POWER SHARES TR. CTFS.—"B"																											
93. UNIVERSAL TRUST SHARES		1	1		1	1	1			1	1	1				1					1		1		1		
94. UTILITIES PUBLIC SERVICE SHARES										35		50															
NUMBER OF TRUSTS WITH INVESTMENTS IN	10	37	39	24	27	49	38	13	10	55	45	55	11	20	20	49	9	12	15	8	53	11	42	12	22	10	16

					8			4	4	4					16							4			8			8								3			4	4	4			4
		3	9		2				2			22			17										3				3							2						14		
						12						4			2		13			9	15	25	36	14	39	33	5	24	13			38				15								
2				3				7	3	2		5			15							4	4		8	8			3							5				8				
1	2	1	4	1	2		1	1	1	2		73			70		2				2	2	2	2	2	4		2				2				9			1	1	1		1	1
		2			2			2	2			2			23							2	2		2											3				2	2			2
		2			2			2	2			2			23							2	2		2											3				2	2			2
					4			2	1	1					13							1			8			1								3		1	3	2	2			2
					1			1	1	1		1			16		1					1	1		1			1								5		1	1	1				1
5				5				5	5			15			12							5			5	5		5								4				5				
5				5				5	5			15			12							5			5	5		5								4				5				
		2		4	6		2	2	2	4		14			27							2			2	2		2								4				2				4
		4	2		8		2	8	8	4		2			18							4	4		12				4							4				8			2	8
		4	2		8		2	8	8	4		2			18							4	4		12				4							4				8			2	8
			50									750			17																	150				3						50		
	5				5		5	5	5	5					19							5			5	5		5								4				5				5
												450			7																													
								4	4	4					13							4			4	4		4								4				4				4
		200			200			200		200					18							200	200		200											3		200		200	200			200
	8	4					4	4	4	8					18							4			8	4		4								4			4	4				4
	1	3			2			6	2	3		11		2	32							5	6		9			6								4		2	3	5	5	40	1	5
							4	4	4	4					12							4			4	4		4				4				5				4				4
						6									1		6	4		12	6	8	12	12	8	12		12	4			98				24					2			
																																						2	3	1	3	10	1	2
									4						2																							4	4	4	4	12	4	4
	15				10			10	10	15		30			20							15			15											2				10	20			15
					8			4	4	4					16							4			8			8								3			4	4	4			4
						16						4			2		16	10	50	12	16	26	24	30	30	20	10		10			56				17								
		5			6			4	3	5					14										12			7								2				5				5
					9			6	5	11					13							6			10			10								3			11	6				9
	2		4									15			15																													
					1			2	1						13										2			2								2				1	2			2
1	1	1		2	3		1	1	1	2		45			62				1			1	1		1	1		1	2			2				9		1	1	1	2	8		2
						8						4			2		28	20	16	24	12	32	32	20	36	28	16		12			48				19								
						20						3			2		5	5	20	20	10	10	10	10	10	5	6		5			71				31								
					8			4	4						15							4			8			4								3			4	4	4			4
					8			4	4						15							4			8			4								3			4	4	4			4
					16			4	4						15							4			16			4								3			8	8	16			8
					16			4	4						15							4			16			4								3			8	8	16			8
					2			2	1	4					16							5	5		4			5				5				5				2				2
					5			3	2						10										9											1				4				4
			20				8					272			28																													
	16				12			4	4	16					18							12			16	12		12								4			8	4	12			8
	16				12			4	4	16					18							12			16	12		12								4			8	4	12			8
						8						4			2		16	16	4	24	20	24	32	24	36	32	16		20			68				21								
	2				2			2	2	2					13								2		2	2						2				4				2				2
		5										180			26			5	15										5							3			5		5			
		4			4		4	4	4			12			22										4			4								2				4	4			4
																																4				1		3	10	6	3	72	2	6
					1			1	1	1					16							1	1		1							1				4			1	1				1
								25	20			25			7										50											1		25	35	15	45	220	10	30
10	16	22	9	10	43	8	15	56	53	43		44		1	77		12	9	10	10	10	52	26	9	65	29	8	43	17			24			1	72		12	25	59	34	9	14	54

	4						4	4					8							7		4									4			4			4							4
				3		5	2										18			6																								

							8			4	4	4			16						4			8			8				3		4	4	4			4
3				3	9		2				2		22		17									3				3			2					14		
								12					4		2	13			9	15	25	36	14	39	33	5	24	13	38		15							
		2				3				7	3	2	5		15						4	4		8	8			3			5			8				
2		1	2	1	4	1	2		1	1	1	2	73		70	2				2	2	2	2	2	4		2		2		9		1	1	1		1	1
2				2			2			2	2		2		23						2	2		2							3			2	2			2
2				2			2			2	2		2		23						2	2		2							3			2	2			2
							4			2	1	1			13						1			8			1				3	1	3	2	2			2
							1			1	1	1	1		16	1					1	1		1			1				5	1	1	1				1
		5				5				5	5		15		12						5			5	5		5				4			5				
		5				5				5	5		15		12						5			5	5		5				4			5				
6				2		4	6		2	2	2	4	14		27						2			2	2		2				4			2				4
	4			4	2		8		2	8	8	4	2		18						4	4		12				4			4			8			2	8
	4			4	2		8		2	8	8	4	2		18						4	4		12				4			4			8			2	8
					50								750		17														150		3					50		
	5		5				5		5	5	5	5			19						5			5	5		5				4			5				5
													450		7																							
	4									4	4	4			13						4			4	4		4				4			4				4
	300			200			200			200		200			18						200	200		200							3	200		200	200			200
			8	4					4	4	4	8			18						4			8	4		4				4		4	4				4
1			1	3			2			6	2	3	11	2	32						5	6		9			6				4	2	3	5	5	40	1	5
									4	4	4	4			12						4			4	4		4		4		5			4				4
								6							1	6	4		12	6	8	12	12	8	12		12	4	98		24				2			
																																2	3	1	3	10	1	2
																																4	4	4	4	12	4	4
											4				2																							
	10		15				10			10	10	15	30		20						15			15							2			10	20			15
							8			4	4	4			16						4			8			8				3		4	4	4			4
								16					4		2	16	10	50	12	10	26	24	30	30	20	10		10	56		17							
				5			6			4	3	5			14									12			7				2			5				5
							9			6	5	11			13						6			10			10				3		11	6				9
			2		4								15		15																							
							1			2	1				13									2			2				2			1	2			2
1		1	1	1		2	3		1	1	1	2	45		62			1			1	1		1	1		1	2	2		9	1	1	1	2	8		2
								8					4		2	28	20	16	24	12	32	32	20	36	28	16		12	48		19							
								20					3		2	5	5	20	20	10	10	10	10	10	5	6		5	71		31							
	4						8			4	4				15						4			8			4				3		4	4	4			
	4						8			4	4				15						4			8			4				3		4	4	4			
	4						16			4	4				15						4			16			4				3		8	8	16			
	4						16			4	4				15						4			16			4				3		8	8	16			
							2			2	1	4			16						5	5		4			5		5		5			2				
							5			3	2				10									9							1			4				
	12				20				8				272		28																							
	12		16				12			4	4	16			18						12			16	12		12				4		8	4	12			
	12		16				12			4	4	16			18						12			16	12		12				4		8	4	12			
								8					4		2	16	16	4	24	20	24	32	24	36	32	16		20	68		21							
			2				2			2	2	2			13							2		2	2				2		4			2				
5				5									180		26		5	15										5			3		5		5			
				4			4		4	4	4		12		22									4			4				2			4	4			
																													4		1	3	10	6	3	72	2	
	1						1			1	1	1			16						1	1		1					1		4		1	1				
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										10	6
										10	6
4	4	8	7	4	4	4	4	4			
			18	3							

		4						4	4					8							7		4									4			4			4							4
						3		5	2											18			6																																
																	5						2									4	5	4		3	8	4	3	4							8
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		2			2	2	2	2	2		2	2										10		2									2			2			2							4
		2			2	2	2	2	2		2	2										10		2									2			2			2							4
		2			3					1				6							8		2				1					1			1											4
		1			1					1	1			1							8		1				1					1			1	1		1							6
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	2	8											4		12	2							6		4	2						2		4						2							5
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		5						5				5			5	5								6		5							5		5			5	5		5							6
																							1																									
		4		4										4	4							5		4							4	4	4			4	4		4							7
		200						200	300		200			300							8		100									100			300	100		100							5
		4					12	4						20							6		4			4			4	4	4	4	4			4	4	4							10
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		4														4							3		4			4				4	4	4			4	4		4							8
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		15						10	15		10			25							7		5				10					10			20	10		5							6
		4						4	4					8							7		4										4			4			4							4
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		9						10							25							5		3									4			9			3							4
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		2						1	2					4							6		1			4							1						1							4
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																																			61	28
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																																			130	26
																																			178	54
																																			186	33
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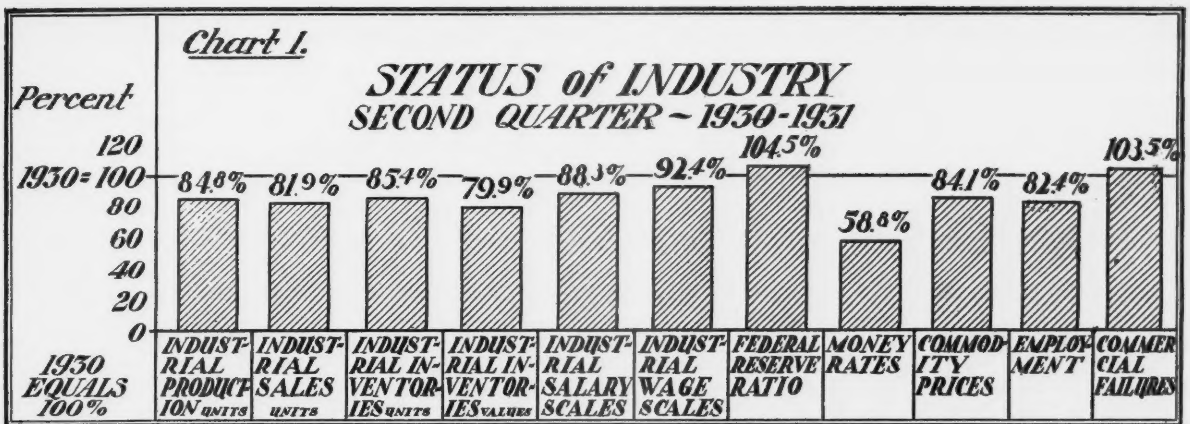


Chart I.
STATUS of INDUSTRY
SECOND QUARTER ~ 1930-1931
Percent
120
1930=100
80
60
40
20
0
1930 EQUALS 100%
84.8%
81.9%
85.4%
79.9%
88.3%
92.4%
104.5%
58.8%
84.1%
82.4%
103.5%
INDUSTRIAL PRODUCTION UNITS
INDUSTRIAL SALES UNITS
INDUSTRIAL INVENTORIES UNITS
INDUSTRIAL INVENTORIES VALUES
INDUSTRIAL SALARY SCALES
INDUSTRIAL WAGE SCALES
FEDERAL RESERVE RATIO
MONEY RATES
COMMODITY PRICES
EMPLOYMENT
COMMERCIAL FAILURES

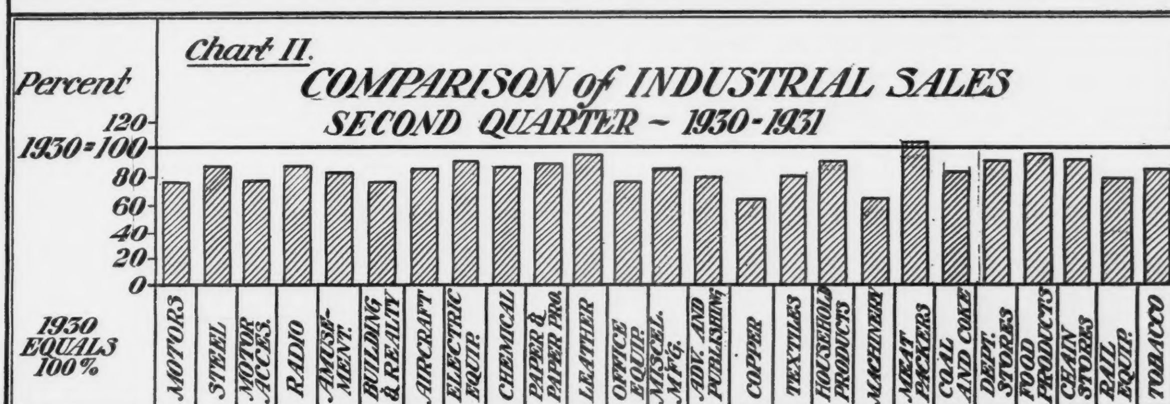
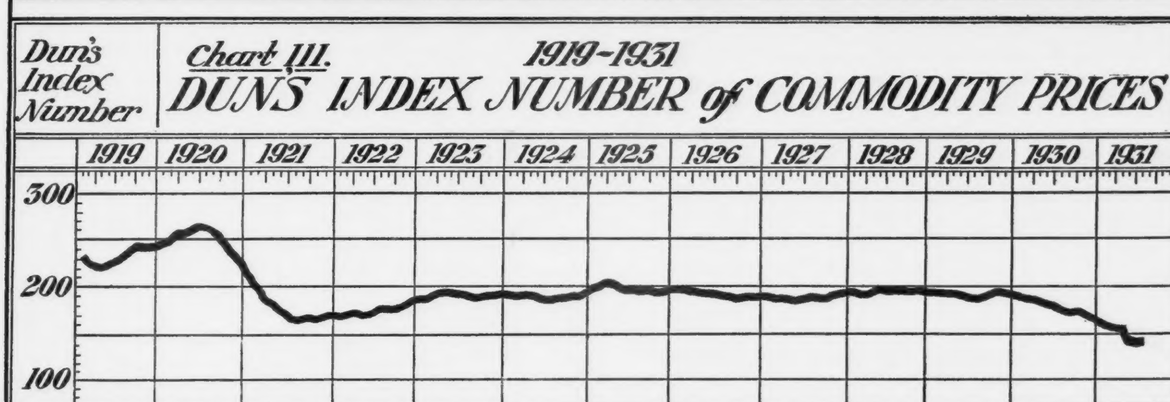
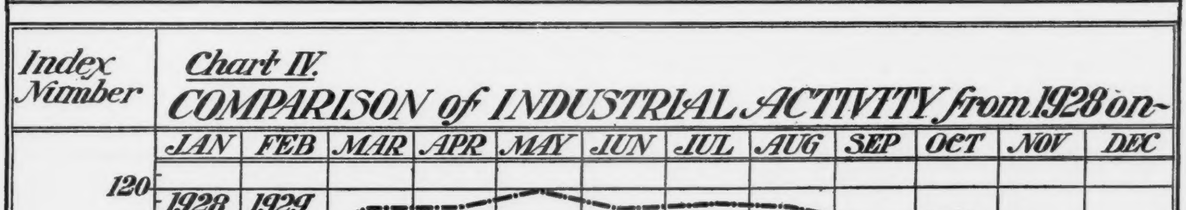


Chart II.
COMPARISON of INDUSTRIAL SALES
SECOND QUARTER ~ 1930-1931
Percent
120
1930=100
80
60
40
20
0
1930 EQUALS 100%
MOTORS
STEEL
MOTOR ACCES.
RADIO
AMUSEMENT
BUILDING & REALTY
AIRCRAFT
ELECTRIC EQUIP.
CHEMICAL
PAPER & PAPER PRO.
LEATHER
OFFICE EQUIP.
MISCEL. MFG.
ADV. AND PUBLISHING
COPPER
TEXTILES
HOUSEHOLD PRODUCTS
MACHINERY
MEAT PACKERS
COAL AND COKE
DEPT. STORES
FOOD PRODUCTS
CHAIN STORES
RAIL EQUIP.
TOBACCO


Dun's Index Number
Chart III.
1919-1931
DUN'S INDEX NUMBER of COMMODITY PRICES
1919
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
300
200
100


Index Number
Chart IV.
COMPARISON of INDUSTRIAL ACTIVITY from 1928 on~
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
120
100
80
60
40
1928
1929
1930
1931
100% = 12 Month Average of 1925

Second Quarter Activity is Normally Low

Industrial activity normally decreases during the second quarter of the year. Curtailment usually commences early in April and continues with little interruption for a number of weeks. A few industries enjoy their most active season between May and August and in these the production schedules are well maintained through the second three months of the year. The great majority of industries, however, do a comparatively light business at this time and accordingly they restrict output in anticipation of the dull period which recurs more or less regularly.

At the conclusion of the first quarter of 1931 industry in general was operating at a rate approximately 30 per cent. below that which had prevailed in the year previous. Even in the early months of 1930 deflationary tendencies were sufficiently in evidence to cause the scale of activity to remain well below the first quarter average of the five years immediately preceding. This being so it is apparent that the second quarter of this year began with industrial activity at a fairly low ebb.

EXPLANATION OF CHARTS

CHART I.

The averages of industrial production, sales and inventories in this chart are composites of those industries, the sales of which are shown separately in Chart II.

The other averages were also derived from primary sources. The average of commodity prices is based upon the current position of DUN'S Index Number of Commodity Prices. The commercial failure average is based upon R. G. DUN & Co. figures. The average of money rates includes all the principal classes of paper while both Federal Reserve Ratio and Freight Car Loadings are actual figures expressed in percentage. Bureau of Labor employment figures and questionnaire returns from industrial centers and employment specialists were combined in the average for employment.

CHART II.

In comparison of industrial sales the sales of the industries contributing to the sales index of Chart I are shown individually.

CHART III.

The fluctuations in DUN'S Index Number of Commodity Prices are shown since 1919.

CHART IV.

The constituents of our Index of Industrial Activity are electric power output, bituminous coal production, bank clearings outside New York City, pig iron production and building contracts. It is not meant to serve as a barometer of all industrial activity as this is clearly too broad a function for any single index. The Index can be applied specifically on after due allowance for all factors involved and its significance must be regarded as general. The four-year period charted is intended to facilitate short term comparisons.

CHART V.

The Index of Industrial Activity is plotted for seven years to show the average seasonal changes and the degree of departure from an arbitrary normal. The moving average shows the trend for the period.

Comparison Made on Unit Basis

The need clearly exists in a study of this kind for a standard of comparison which will give the most representative results in all the cases to which it is applied. It is apparent that price fluctuations will not introduce uncertainty into calculations which have to do only with amounts of goods rather than with their values. For this reason the unit was selected in preference to dollar value and, the production, sales and inventory averages were compiled solely on the basis of number of units.

Production and Sales Compare Favorably

The first two averages shown in Chart I are for industrial production and sales. Both are compiled on a unit basis from questionnaire returns, association reports and financial statements.

Although industrial production and sales for the second quarter of 1931 were both lower than for the corresponding period of 1930, they made a distinctly more favorable comparison than in the first three months of the current year. Production and sales in the first quarter were both approximately 30 per cent. under the levels prevailing a year previous, while production in the second quarter was only about 15 per cent. and sales about 18 per cent. below those of the second quarter of 1930.

The explanation of the improved showing lies in current conditions as well as in those existing a year ago. A precipitate drop in public buying took place in the Spring and Summer of 1930. As a result industrial sales declined sharply and drastic curtailment of production was necessitated. The second quarter of 1930, then, was a period during which sweeping readjustments were begun and for this reason it presents a more favorable basis for present comparison than any of the quarters which preceded.

From the standpoint of current conditions the better comparison made by sales and production is indicative of a definite change in the general policy of curtailment which has been pursued uninterruptedly in many industries for more than a year. The evidence is particularly encouraging since it comes to hand at the conclusion of a three month period normally marked by declining activity and retrenchment.

Inventories Liquidated and Revalued

The second two averages in Chart I indicate the size of inventories on a unit basis and their valuations at the close of the second quarter of 1931 in comparison with the position of one year previous.

The results of the survey point to a decline of approximately 14.6 per cent. in inventories and to a decrease of 20.1 per cent. in their values. Practically every reporting industry had lower inventories and still lower inventory values. There were some exceptions, of course, but they were unusual cases which could not be permitted to affect the average.

It became apparent some time ago that inventories were being handled in an intelligent manner and that in general they were being liquidated as rapidly as possible and were being written down to

continued on page 31

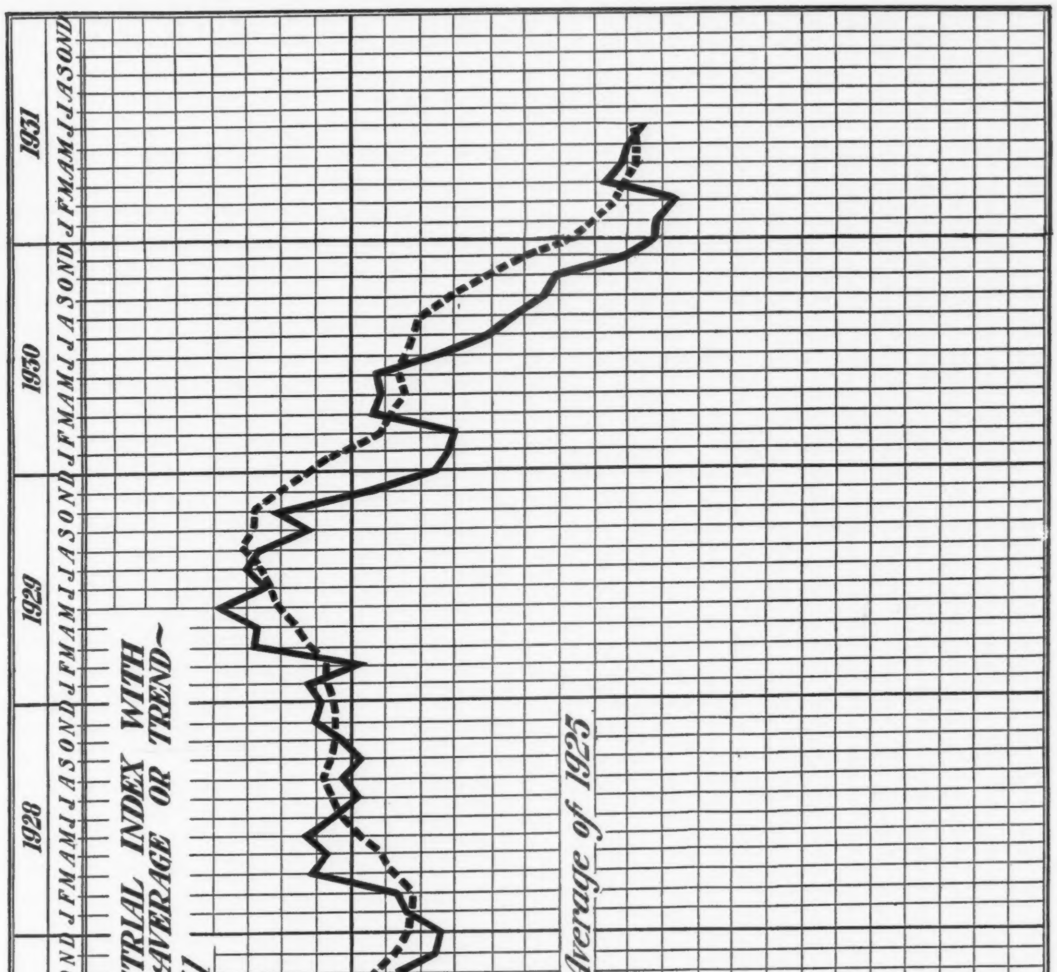


CHART V.
COMPARISON OF INDUSTRIAL INDEX WITH SIX (6) MONTHS MOVING AVERAGE OR TREND—
1925–1931
MONTHLY ACTIVITY
MOVING AVERAGE OR TREND
100% = 12 Months Average of 1925
PERCENTAGE
1925
1926
1927
1928
1929
1930
1931
J F M A M J J A S O N D
130
120
110
100
90
80
70
60
50
40
30
20
10
0

MORE FAVORABLE TREND IN INSOLVENCIES

By William A. Crane

COMMERCIAL failures during the first half of 1931 have been very numerous and the liabilities have been heavy. In no similar period in the history of the United States, has the number been so large. There were in all this year, according to the records of R. G. Dun & Co., 15,113 such insolvencies with a total indebtedness of $370,497,369. For the same time last year 13,771 similar defaults were reported for $337,089,083. The increase in number this year was 9.9 per cent. and the indebtedness shown 9.1 per cent. Up to last year the number of business failures for the first half of the year was the largest ever recorded. But during the first half of 1922, when business conditions were in some respects quite similar to those through which the country has been passing during this year and last, the defaulted indebtedness was slightly larger than reported for this year to date.

In the following table, the number of business failures for the first half of 1931, with the assets and liabilities are given, compared with the same figures for the preceding years back to 1920:

SIX MONTHS' COMMERCIAL FAILURES

	Number	Assets	Liabilities
1931...............	15,107	$217,676,972	$370,497,369
1930...............	13,771	167,323,206	337,089,083
1929...............	12,172	108,529,331	232,128,936
1928...............	12,828	126,312,538	251,448,406
1927...............	12,296	121,956,136	281,527,518
1926...............	11,476	110,008,072	209,888,501
1925...............	11,420	131,605,526	239,398,450
1924...............	10,785	162,232,556	304,459,959
1923...............	9,724	182,303,383	259,424,068
1922...............	13,884	252,548,477	373,716,338
1921...............	9,085	208,735,313	310,671,604
1920...............	3,352	57,959,291	86,743,876

The High Record of the Past Ten Years

The insolvency figures for the first half of 1921 were the highest on record up to that time. Even with conditions as they have been in the intervening period, or during the past decade, commercial insolvencies have been heavy, much in excess of the earlier records.

It is rather interesting to note that the increase in the number of failures for the first half of 1931 over the preceding year is practically all of it among small trading concerns, mainly small retail dealers. There were fewer defaults this year to date in the manufacturing division, than occurred in the same period of 1930, while the increase this year for the third class, that embracing agents and brokers, which is relatively very small, is trifling. The trading section of the insolvency record for the first half of 1931 shows 10,930 defaults, involving $181,660,729, more than 70 per cent. of the total of all failures for that period, and nearly one-half of the entire amount of liabilities. The increase this year in number of trading defaults over a year ago is 14.7 per cent., while the increase in liabilities was 24 per cent. There were quite a number of the larger defaults among trading concerns both this year and last, that is, insolvencies where the liabilities were $100,000 or more in each instance, but the number of such failures compared with the total is relatively very small.

In the following table the number of failures and the amount of liabilities for the half year by the leading classes of business are compared with the figures for 1930:

Classes	Number 1931	Number 1930	P. C.	Liabilities 1931	Liabilities 1930	P. C.
Manf'g.	3,292	3,369	— 2.3	$156,142,323	$128,712,628	+21.3
Trading	10,930	9,528	+14.7	181,660,729	142,553,185	+27.4
Agents & Brokers..	885	874	+ 1.3	32,694,317	65,823,270	—50.3
Total	15,107	13,771	+ 9.7	$370,497,369	$337,089,083	+ 9.9

Heavy Defaults Among Small Retail Concerns

Naturally, the unusually large number of trading failures suggests that there has been an increase in

QUARTERLY RECORD OF COMMERCIAL FAILURES IN THE UNITED STATES, AND AVERAGE OF LIABILITIES

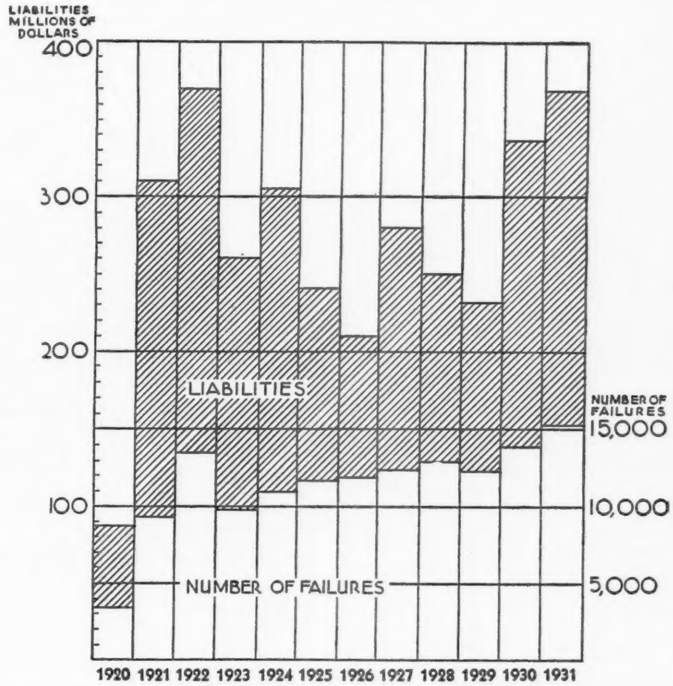
Years	FIRST QUARTER No. Failures	FIRST QUARTER Amount of Liabilities	FIRST QUARTER Average Liabilities	SECOND QUARTER No. Failures	SECOND QUARTER Amount of Liabilities	SECOND QUARTER Average Liabilities	THIRD QUARTER No. Failures	THIRD QUARTER Amount of Liabilities	THIRD QUARTER Average Liabilities	FOURTH QUARTER No. Failures	FOURTH QUARTER Amount of Liabilities	FOURTH QUARTER Average Liabilities	TOTAL FOR THE YEAR No. Failures	TOTAL FOR THE YEAR Amount of Liabilities	TOTAL FOR THE YEAR Average Liabilities
1900..	2,894	33,022,573	11,411	2,438	41,724,879	17,114	2,519	27,119,996	10,766	2,923	36,628,225	12,531	10,774	138,495,673	12,854
1901..	3,335	31,703,486	9,506	2,424	24,101,204	9,943	2,324	24,756,172	10,652	2,919	32,531,514	11,145	11,002	113,092,376	10,279
1902..	3,418	33,731,758	9,869	2,747	26,643,098	9,699	2,511	25,032,634	9,969	2,939	32,069,279	10,911	11,615	117,476,769	10,137
1903..	3,200	34,344,433	10,732	2,428	32,452,827	13,366	2,548	34,858,595	13,680	3,893	53,788,330	13,824	12,069	155,444,185	12,879
1904..	3,344	48,066,721	14,374	2,870	31,424,188	10,949	2,969	32,168,296	10,835	3,016	32,543,106	10,790	12,199	144,202,311	11,820
1905..	3,443	30,162,505	8,760	2,767	25,742,080	9,303	2,596	20,329,443	7,061	2,714	26,442,144	9,743	11,520	102,676,172	8,913
1906..	3,102	33,761,107	10,883	2,510	28,902,967	11,515	2,300	21,996,163	9,563	2,770	34,541,278	12,470	10,682	119,201,515	11,159
1907..	3,136	32,075,591	10,228	2,471	37,493,071	15,173	2,483	46,467,686	18,714	3,635	81,348,877	22,379	11,725	197,385,225	16,834
1908..	4,909	75,706,191	15,422	3,800	48,668,642	12,805	3,457	55,302,690	15,997	3,524	42,638,161	12,099	15,690	222,315,684	14,169
1909..	3,850	44,460,950	11,548	2,981	44,080,423	14,787	2,836	29,094,498	10,259	3,257	36,967,594	11,350	12,924	154,603,465	11,963
1910..	3,525	73,079,154	20,732	2,863	39,160,152	13,678	3,011	42,177,998	14,008	3,253	47,339,793	14,552	12,652	201,757,097	15,947
1911..	3,985	59,651,761	14,969	3,076	44,046,590	14,319	2,880	35,167,269	12,211	3,500	52,196,045	14,913	13,441	191,061,665	14,215
1912..	4,828	63,012,323	13,051	3,489	44,999,900	12,898	3,499	45,532,137	13,013	3,636	49,573,031	13,634	15,452	203,117,391	13,145
1913..	4,458	76,832,277	17,235	3,705	56,076,784	15,135	3,549	63,837,315	17,987	4,325	75,925,912	17,555	16,037	272,672,288	17,003
1914..	4,826	83,221,826	17,265	3,717	101,877,904	27,410	4,298	86,818,291	20,200	5,439	85,990,838	15,810	18,280	357,908,859	19,579
1915..	7,216	105,703,355	14,648	5,524	82,884,200	15,004	4,548	52,876,525	11,626	4,868	60,822,068	12,494	22,156	302,286,148	13,644
1916..	5,387	61,492,746	11,415	4,108	49,748,675	12,110	3,755	43,345,286	11,543	3,743	41,625,549	11,120	16,993	196,212,256	11,547
1917..	3,937	52,307,099	13,286	3,551	42,414,257	11,944	3,249	47,228,682	14,536	3,118	40,491,333	12,986	13,855	182,441,371	13,168
1918..	3,300	49,780,300	15,085	2,589	38,013,262	14,683	2,180	35,181,462	16,139	1,913	40,044,955	20,933	9,982	163,019,979	16,331
1919..	1,904	35,821,052	18,813	1,559	32,889,834	21,096	1,393	20,230,722	14,523	1,595	24,349,629	15,266	6,451	113,291,237	17,561
1920..	1,627	29,702,499	18,256	1,725	57,041,377	33,067	2,031	79,833,595	39,308	3,498	128,544,334	36,747	8,881	295,121,805	33,230
1921..	4,872	180,397,989	37,038	4,163	130,273,615	31,293	4,472	122,699,399	27,440	6,145	194,030,880	31,575	19,652	627,401,883	31,926
1922..	7,517	218,012,365	29,002	5,867	155,703,973	26,538	5,033	117,198,157	23,285	5,259	132,981,756	25,285	23,676	623,896,251	26,351
1923..	5,316	138,231,574	26,002	4,408	121,192,494	27,493	3,776	98,754,559	26,153	5,218	181,208,179	34,728	18,718	539,386,806	28,816
1924..	5,655	184,865,571	32,691	5,130	119,594,388	23,313	4,441	126,263,495	28,431	5,389	112,501,995	20,876	20,615	543,225,449	26,351
1925..	5,969	128,481,780	21,525	5,451	110,916,670	20,348	4,663	102,251,871	21,928	5,131	101,994,451	19,879	21,214	443,744,272	20,918
1926..	6,081	108,450,339	17,836	5,395	101,438,162	18,802	4,635	87,799,486	18,943	5,662	111,544,291	19,701	21,773	409,232,278	18,795
1927..	6,643	156,121,853	23,502	5,653	125,405,665	22,184	5,037	115,132,052	22,857	5,813	123,444,698	21,236	23,146	520,104,268	22,471
1928..	7,055	147,519,198	20,910	5,773	103,929,208	18,003	5,210	121,745,149	23,368	5,804	116,366,069	20,049	23,842	489,559,624	20,533
1929..	6,487	124,268,608	19,157	5,685	107,860,328	18,971	5,082	100,296,702	19,736	5,655	150,824,558	26,671	22,909	483,250,196	21,094
1930..	7,368	169,357,551	22,986	6,403	167,731,532	26,196	5,904	135,954,091	23,027	6,680	195,240,668	29,228	26,355	668,283,842	25,357
1931..	8,483	214,602,374	25,298	6,624	155,894,995	23,520	.....	....	......	.....	....	......	......	....	......

the number of trading concerns. Such has been the case. All business lines in recent years have expanded very materially. This is true of the manufacturing division as well as that of the trading class. No accurate detailed figures are available, showing from year to year the increase that has taken place, but in the aggregate for the country as a whole, the number of all concerns in business is quite definitely known. The great expansion that occurred dates from the closing years of the late war in Europe, and from then on, until the past year or two, the gain has been quite constant. The increase was much the largest among small retail concerns. Many of these have contributed to the insolvency record, and during the past year and one-half or two years, they have contributed quite heavily to the number of defaults that have occurred.

Manufacturing Defaults Reduced in Number

As to manufacturing defaults for this year to date, there is a decrease in the number compared with last year, 3,292 failures in manufacturing lines for the past six months comparing with 3,369 similar defaults during the first half of 1930. Liabilities, however, for the first half of this year were quite a little larger than the amount reported a year ago, $156,142,323 shown for this year, comparing with $128,712,628 in the first half of 1930, an increase of 21.3 per cent. There were also quite a number of the larger defaults for the past half year in the manufacturing division, that is, failures for which the liabilities were $100,000 or more in each instance, and while the number of insolvencies in manufacturing lines for the first half of 1931 was less than in the same period of 1930, the heavier indebtedness reported for this division, was due to several exceptionally large defaults this year.

Failures in the United States for the Half Year



The Shaded Columns—Total liabilities in hundred million dollars for all business failures for each year back to 1920

The White Columns at the lower part of the chart, number of business failures for each year in thousands

Brokerage Failures are for a Smaller Amount

This condition was reversed as to failures so far this year in the third class, or among agents and brokers, the number in the first half of 1931 of 885 comparing with 874 a year ago. The increase in the number was small, but the liabilities for this year to date were less than one-half the amount reported in the first six months of 1930. Many large investment and stock brokerage concerns were forced into bankruptcy during the earlier months of 1930, following the collapse of the speculative movement in the closing months of 1929. One of the effects of that disturbance was the very large amount of defaulted indebtedness shown then. Several similar defaults were reported during the first six months this year, but the total involved this year was very much reduced.

Separating the half-yearly report into quarters, the second quarter of this year makes a better showing than did the first three months. There is an increase in the number of failures over those reported in 1930 both for the first quarter of this year as well as for the second quarter, but the liabilities for the second three months' period are smaller than those reported a year ago. Furthermore, the ratio of the number of insolvencies in the second quarter of 1931, to the total number for the half year, was below that of 1930 and was also reduced, compared with similar figures for 1929 and 1928 when defaults were fewer in number.

The Quarterly Return

For the current year, insolvencies during the first three months were 56.1 per cent. of the total for the half year. The same comparison for 1930 shows 53.1 per cent. for the first quarter of that year. For 1929 it was 53.3 per cent. and 1928, 55.0 per cent. For the second quarter, the corresponding figures were for 1931, 43.9 per cent.; 1930, 46.9 per cent.; 1929, 46.7

per cent. and 1928, 45 per cent. The decline in insolvencies for the second quarter of 1931 compared with the first quarter was 21.6 per cent., while last year it was 13.1 per cent. Much the same condition appears in the figures for the two preceding years.

The Improvement in June

Comment on the improvement in the second quarter of 1931 cannot be passed without reference to the very great change for the better that appears in the June report, the last month of that three months' period. June insolvencies number less than for any preceding month back to September. It is the first month since November, 1929, more than a year and a half, that has shown a reduction in the number of business failures compared with the same month of the preceding year. Furthermore, the liabilities for June were considerably smaller than for any month since September of last year, with the single exception of April last when the amount was slightly less.

Geographical Sections

With reference to the grouping of business failures for the six months by geographical divisions, some very marked changes are shown in the figures. The increase in the number of the defaults for the half year of 1931 is equivalent to 9.7 per cent. Six of the eight geographical sections contribute to the increase while the other divisions show a reduction. The latter include the New England States and the Western or Mountain section.

In the following table is given the number of failures in the United States by geographical divisions for the half year 1931, with comparisons:

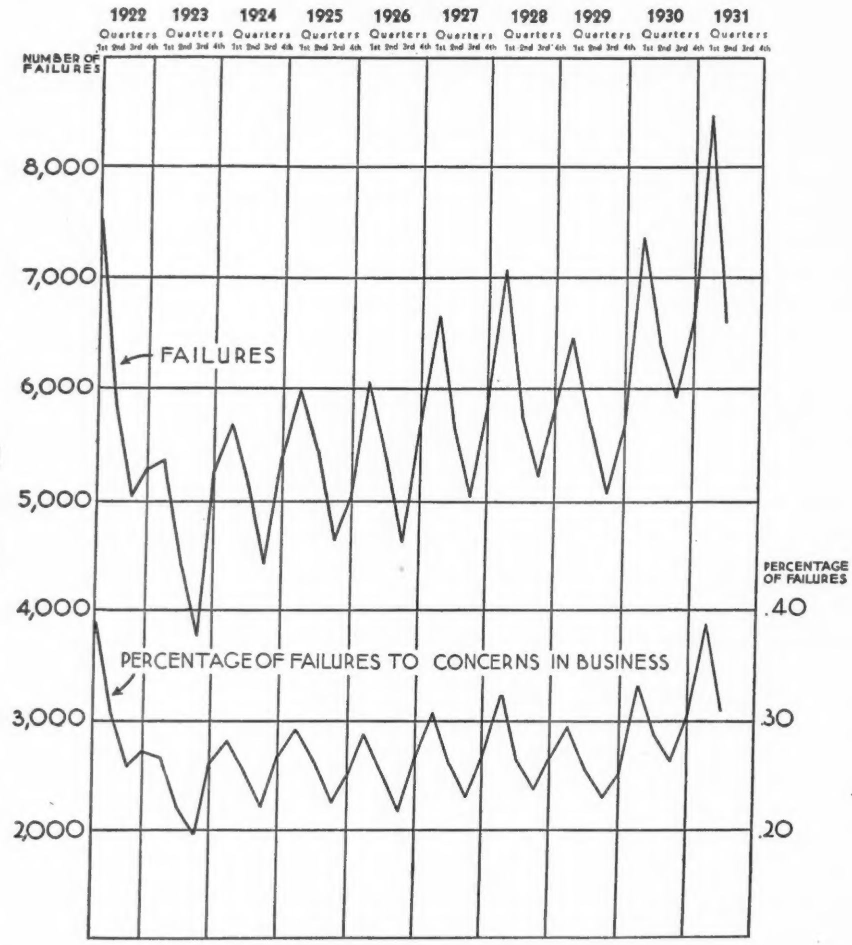
COMMERCIAL FAILURES BY GEOGRAPHICAL DIVISIONS

Sections	Number 1931	Number 1930	Number P.C.	Liabilities 1931	Liabilities 1930	Liabilities P.C.
New England...	1,477	1,564	— 6.0	$54,199,328	$34,871,647	+55.4
Middle Atlantic.	4,167	3,890	+ 7.1	96,903,165	113,361,062	—14.5
South Atlantic..	1,314	1,201	+ 9.4	28,005,406	30,727,329	— 8.9
South Central...	1,887	1,386	+36.9	33,902,055	30,673,547	+10.5
Central East....	3,122	2,829	+10.4	98,295,574	72,941,248	+34.8
Central West....	1,148	1,032	+11.2	21,880,309	25,691,148	—14.8
Western	356	359	— 0.8	7,410,338	7,274,224	+ 1.9
Pacific	1,636	1,510	+ 8.1	29,900,194	21,548,878	+39.0
United States...	15,107	13,771	+ 9.7	$370,497,869	$337,089,083	+ 9.9

Heavy Losses in the South

The most unsatisfactory showing for the first six months this year was in the South Central States. It was in this section that the disturbance in financial conditions in the closing months of 1930 caused so many banking defaults at the close of last year, and the much heavier business mortality this year is a reflection of that trouble. There were practically 37 per cent. more business defaults in the South Central States for this year to date than occurred in the same period of the year before. For the other five geographical groups where an increase was shown, the increase was not particularly large. The South Atlantic States report 9.4 per cent. more failures this year than last. In the Eastern and Western Central States, there are gains of 10.4 per cent. and 11.2 per cent., respectively. These two groups last mentioned include the important agricultural sections east and west of the Mississippi River, the former the five States embracing among others, Ohio and Wisconsin, and the latter the seven States including Minnesota, Missouri and Kansas. The three

Quarterly Failure Record



Upper Line—Number of failures each three months for ten years.
Lower Line—Percentage of failures each quarter to business firms.

COMMERCIAL FAILURES—SECOND QUARTER 1931

States	TOTAL 1931			1930		Classified Failures 1931						Banking Failures	
						MANUFACTURING		TRADING		OTHER COM'L			
New England	No.	Assets	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities
Maine	51	$286,796	$699,884	34	$485,432	12	$180,666	35	$503,110	4	$16,108	..	....
New Hampshire	8	188,203	286,271	19	176,120	4	234,771	4	51,500	..	....	..	....
Vermont	11	38,750	71,950	21	492,627	3	5,010	7	60,440	1	6,500	..	....
Massachusetts	334	2,990,064	7,722,292	443	14,864,713	128	4,282,381	172	2,791,001	34	648,910	..	....
Connecticut	173	1,436,944	2,847,376	153	2,420,215	44	878,611	116	1,605,880	13	362,885	..	....
Rhode Island	78	114,744	435,986	55	393,683	25	164,030	52	268,222	1	3,734	..	....
Total	655	$5,055,501	$12,063,759	725	$18,832,790	216	$5,745,469	386	$5,280,153	53	$1,038,137	..	....
1930	725	11,070,567	18,832,790	...	....	211	6,918,024	436	6,311,150	78	5,603,616	..	....
Middle Atlantic													
New York	1,054	$16,004,355	$25,209,572	1,017	$33,171,027	289	$11,566,511	680	$10,796,997	85	$2,846,064	1	$100,000
New Jersey	338	3,667,218	7,014,744	344	12,439,241	97	3,416,858	210	3,012,937	31	584,949	3	860,000
Pennsylvania	423	4,516,391	9,526,894	404	9,500,970	97	1,894,717	306	6,938,865	20	693,312	15	19,305,600
Total	1,815	$24,187,964	$41,751,210	1,765	$55,111,238	483	$16,878,086	1,196	$20,748,799	136	$4,124,325	19	$20,265,600
1930	1,765	28,396,676	55,111,238	.....	....	517	25,533,370	1,131	19,242,135	117	10,335,733	..	....
South Atlantic													
Maryland	116	$1,040,962	$1,670,400	90	$2,096,567	36	$550,321	74	$1,070,741	6	$49,338	..	....
Delaware	5	41,445	71,043	7	47,846	..	....	5	71,043	..	......	..	....
Dist. of Columbia	31	156,787	453,202	28	328,887	10	183,146	20	253,656	1	16,400	..	....
Virginia	113	1,001,813	1,615,882	81	1,562,784	24	758,866	88	851,014	1	6,002	4	$1,475,900
West Virginia	65	1,215,418	1,593,544	57	4,657,110	12	539,221	51	1,023,224	2	31,099	2	100,000
North Carolina	88	1,791,222	2,224,141	92	3,272,962	8	540,116	77	1,517,113	3	166,912	8	2,620,000
South Carolina	16	700,516	1,255,423	24	812,317	2	1,004,322	14	251,101	..	....	2	1,200,000
Georgia	85	1,807,604	2,852,532	96	1,903,765	13	949,772	71	1,857,700	1	45,060	2	1,250,000
Florida	56	518,969	709,270	59	1,943,585	5	83,866	48	584,515	3	40,889	2	2,900,000
Total	575	$8,274,736	$12,445,437	534	$16,625,823	110	$4,609,630	448	$7,480,107	17	$355,700	20	$9,545,900
1930	534	9,505,588	16,625,823	...	....	110	8,719,988	393	7,174,722	31	731,113	37	43,688,400
South Central													
Kentucky	61	$560,278	$1,016,172	59	$925,830	14	$517,922	45	$461,361	2	$36,889	..	....
Tennessee	72	1,313,987	1,939,109	60	1,188,016	9	792,654	61	1,116,011	2	30,444	1	$100,000
Alabama	116	699,785	1,443,159	99	2,336,164	11	327,934	102	1,077,244	3	37,981	4	488,500
Mississippi	66	338,425	894,619	55	678,489	4	35,303	62	859,316	..	......	1	100,000
Arkansas	69	688,982	1,330,526	59	648,031	6	86,809	62	1,230,217	1	13,500	2	408,000
Oklahoma	119	1.488,199	2,269,649	140	1,345,302	8	1,006,112	109	1,128,214	2	135,323	1	100,000
Louisiana	35	297,517	769,666	38	738,932	3	44,678	32	724,988	..	....	..	....
Texas	172	2,027,738	3,391,187	142	10,657,215	15	446,532	153	2,696,138	4	248,517	4	877,900
Total	710	$7,414,911	$13,054,087	652	$18,517,979	70	$3,257,944	626	$9,293,489	14	$502,654	13	$2,074,400
1930	652	11,840,234	18,517,979	...	....	80	3,353,105	550	7,082,800	22	8,082,074	7	1,370,818
Central East													
Ohio	387	$12,121,707	$17,761,767	321	$5,120,234	83	$8,789,212	289	$8,411,771	15	$560,784	7	$1,781,000
Indiana	150	1,845,792	2,632,872	174	6,617,351	28	791,331	117	1,582,209	5	259,332	9	18,575,000
Illinois	431	6,860,160	17,521,138	434	11,272,763	117	3,811,419	293	7,671,481	21	6,038,238	57	76,293,000
Michigan	203	3,037,573	4,046,091	258	2,862,541	29	1,712,010	164	2,194,411	10	139,670	5	3,712,700
Wisconsin	174	2,885,702	4,473,031	144	3,566,519	49	1,461,001	117	1,555,722	8	1,456,308	9	5,867,100
Total	1,345	$26,750,934	$46,434,899	1,331	$29,439,408	306	$16,564,973	980	$21,415,594	59	$8,454,332	87	$106,228,800
1930	1,331	18,433,340	29,439,408	.....	....	320	12,559,319	925	13,092,263	86	3,787,836	40	19,984,006
Central West													
Minnesota	100	$519,271	$827,163	107	$1,555,404	14	$249,708	81	$525,110	5	$52,345	24	$7,390,700
Iowa	81	442,437	770,046	58	1,217,922	7	13,128	70	603,334	4	153,584	21	5,578,000
Missouri	210	2,889,060	6,433,576	196	8,307,420	52	2,012,190	141	2,936,866	17	1,484,520	6	466,000
North Dakota	22	199,650	331,121	12	85,872	4	84,901	18	246,220	..	....	4	690,000
South Dakota	8	48,870	79,410	10	101,195	1	2,520	6	59,889	1	17,001	3	450,000
Nebraska	49	196,097	328,015	48	419,771	7	22,901	38	287,556	4	17,558	9	2,455,000
Kansas	90	1,789,810	2,661,879	51	783,695	9	350,444	74	736,444	7	1,574,991	9	3,249,000
Total	560	$6,085,195	$11,431,210	482	$12,471,279	94	$2,735,792	428	$5,395,419	38	$3,299,999	76	$20,278,700
1930	482	7,706,760	12,471,279	...	....	77	4,701,872	371	5,866,136	34	1,908,271	46	14,374,272
Western													
Montana	32	$300,328	$457,301	49	$1,633,134	4	$127,920	27	$302,559	1	$26,822	..	....
Idaho	18	137,166	183,733	25	317,045	1	2,710	17	181,023	..	....	..	....
Wyoming	9	26,000	64,367	9	59,888	1	30,000	7	30,367	1	4,000	..	....
Colorado	45	222,712	405,205	42	937,581	2	51,533	43	353,672	..	.....	..	....
New Mexico	19	1,633,444	2,381,824	7	49,415	2	2,257,812	16	117,012	1	7,000	..	....
Arizona	18	748,250	1,137,292	21	287,522	2	14,894	14	1,070,789	2	51,609	..	....
Utah	37	319,666	475,193	26	2,195,687	5	28,202	32	446,991	..	....	1	$129,000
Nevada	1	11,000	40,000	3	23,550	..	......	1	40,000	..	....	..	....
Total	179	$3,398,566	$5,144,915	182	$5,503,817	17	$2,513,071	157	$2,542,413	5	$89,431	1	$129,000
1930	182	4,078,353	5,503,817	...	....	30	2,065,033	144	3,389,512	8	49,272	3	2,255,000
Pacific													
Washington	173	$2,138,637	$4,052,722	179	$3,328,249	48	$2,679,622	118	$1,129,330	7	$243,770	2	$500,000
Oregon	109	814,225	2,089,891	85	1,264,276	23	424,890	76	1,192,001	10	473,000	2	1,104,500
California	503	2,821,197	7,426,865	468	6,636,673	149	3,724,434	300	2,912,550	54	789,881	3	832,500
Total	785	$6,774,059	$13,569,478	732	$11,229,198	220	$6,828,946	494	$5,233,881	71	$1,506,651	7	$2,437,000
1930	732	6,388,263	11,229,198	...	....	197	5,224,463	473	5,378,179	62	626,556	1	40,000
UNITED STATES													
Total	6,624	$87,941,866	$155,894,995	6,403	$167,731,532	1,516	$59,133,911	4,715	$77,389,855	393	$19,371,229	223	$160,959,400
1930	6,403	96,419,781	167,731,532	.....	....	1,542	69,075,174	4,423	67,536,887	428	31,119,471	134	81,712,496

Pacific Coast States show more numerous business defaults this year than last year by 8.1 per cent.

In the Eastern Section

An increase also appears in the number of business failures this year so far for the three Middle Atlantic States, amounting to 7.1 per cent. This is the best showing for all of the geographical sections, excepting the two where reductions appear. It is perhaps significant that it was in the adjoining New England States that business defaults were fewer this year. The three Middle Atlantic States report 4,167 business defaults for the six months this year, that number being 27.6 per cent. of the total number of all business failures in the United States for the same period. Next to the Middle Atlantic States are the five Central Western States, where 20 per cent. of all failures are recorded. Add to these two groups that of New England and the territory thus embraced covers the larger part of the industrial centers of the United States. This year the number of business failures in these three geographical divisions constituted 58 per cent. of the total of all such defaults—in 1930 the percentage was 61 per cent. of the total.

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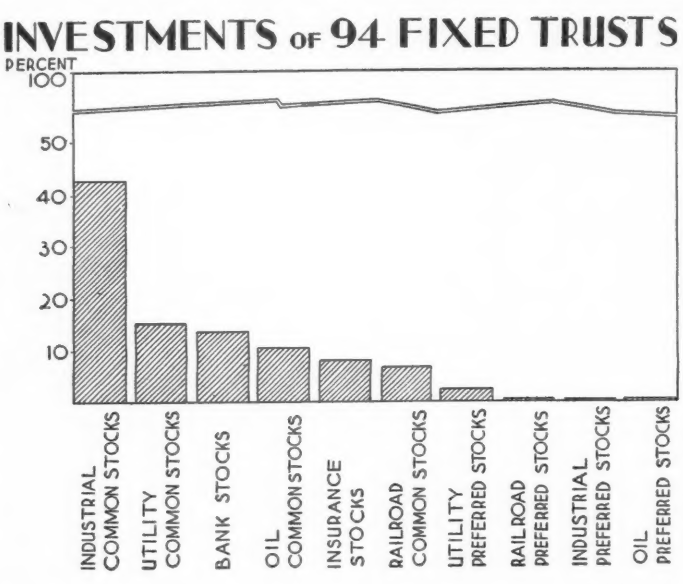
ANALYSIS OF FIXED TRUST PORTFOLIOS

Prepared by Economic Department of R. G. Dun & Co. in Collaboration with the Investment Service Department of the National Credit Office.

IN the past two years an impressive record has been made in the sale of fixed trust shares. Sponsors of trusts, by building up dealer organizations of national scope, have been able to place their shares in the hands of investors all over the United States. One factor which contributed in important degree to the success of this movement was the public acceptance of common stocks as desirable long term investment media. The sales appeal of the trust is built around the portfolio and the sum of the potentialities of the individual issues held is considered to represent an approximation of the capacity for growth of principal and earning power latent in the trust itself.



Because of the widespread public interest in fixed trusts it was decided to analyze the portfolios of a number of the leading trusts to determine which groups and individual companies they considered outstandingly attractive from the investment viewpoint.

For this purpose 94 trusts were chosen. This number constitutes a large majority of the fixed trusts formed since the inception of the movement and their outstanding stocks represent more than 95 per cent. of the dollar value of all fixed trust shares at present held by the investing public.

Two primary types of trust are at present generally recognized. They are: those which distribute the major portion of income and are known as distributive, and those which emphasize the possibilities of ultimate capital gain through price appreciation and reinvestment of a part of income and are designated as cumulative. The sponsors of both types obviously choose for investment securities which, because of their past records and present outlook give promise of fulfilling the expectations entertained for the trust.

General Type Leads

In the consideration of portfolios only the usual classification of trusts as distributive or cumulative clearly had little value. A distinction based upon portfolios was necessary and accordingly it was decided to use the terms general and specialized for the two main categories. Those trusts were regarded as of the general type which ordinarily had investments in the industrial, utility, oil and rail groups. The trusts which placed the bulk of their funds in one or two industries were considered as specialized. A few of the general trusts were found to hold bank and insurance stocks while several of the specialized trusts had some investment in the industries in which the general trusts concentrated.

The greater popularity of the general type was evidenced by the fact that of the 90 trusts picked for comparative study, no less than 59, or 65.9 per cent. were of this class. The balance of the trusts, numbering 31, practised specialization in some degree. There were 8 trusts which concentrated their entire investment in bank stocks and 8 which held oil stocks exclusively. Stocks of public utility companies and insurance companies were each the sole investment of 3 trusts. One trust each specialized in chain stores, food companies, railroads and automobile companies. Another trust divided its funds between the railroad and the public utility industries.

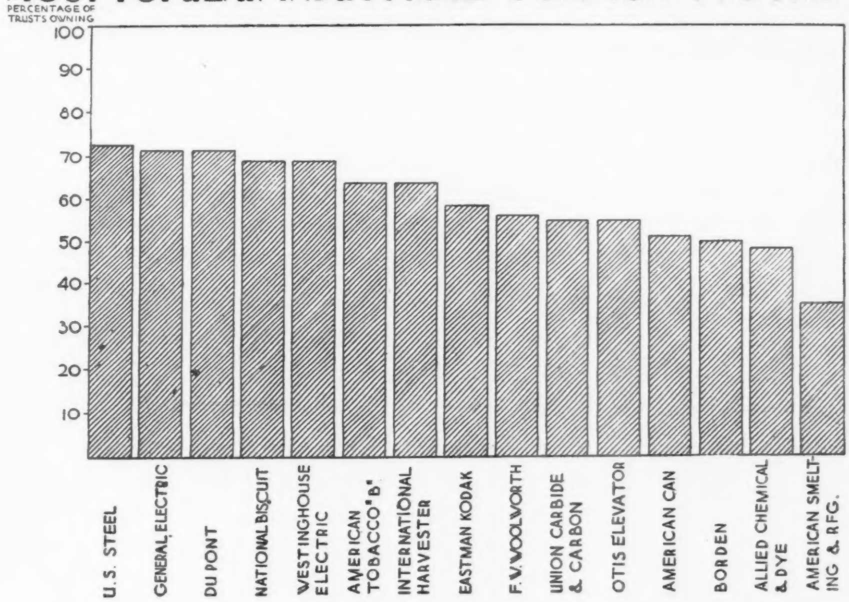
Selection of Portfolio

The older fixed trusts generally set up definite requirements of age and dividend records to be met by any stock before it was eligible for inclusion. Originally these standards were so strict that they excluded all but a few industrial and utility stocks. A number of railroad stocks possessed the necessary seasoning and so it was that this group predominated for a time. A definite trend away from these criteria gradually became apparent as the trusts began to seek the best possible in a diversified and balanced portfolio.

The general trusts employ two methods of securing diversity. The first is to assign a definite weight

to each industry and to place in it a corresponding percentage of the total fund available. The use of this means of selection results in an uneven number of shares throughout the portfolio with the higher-priced issues represented by less stock than the lower priced. In the second method the same number of shares of each single issue is purchased and emphasis given a more desirable industry or group by choosing for investment more individual companies than in one less favored. Evidence that at the present time the former method is the more popular of the two is found in the fact that of the 94 trusts studied, 76, or 81 per cent., used it to some degree, while only 18, or 19 per cent., compiled their portfolios on the basis of an equal number of shares of each stock.

MOST POPULAR INDUSTRIAL COMMON STOCKS



It is apparent that however the underlying investments may be chosen the proportions of the portfolio are bound to be altered in time. The recurrence of such a period as the first nine months of 1929, marked by frequent stock dividends, split-ups and mergers, and accompanied by rapidly rising prices for some stocks and stationary or declining prices for others, would necessarily work changes in the internal relationships of most trusts.

Both plans have merit. In each the trust sponsor endeavors to attain an investment concentrated in the most desirable stocks and industries. Because of the entrance of human judgment and preference at this point there is wide disagreement as to the media which will prove the most satisfactory over a period of time. It is for this reason that in some trusts we find a substantial investment in the chemical or motor group and others in which it is either completely omitted or placed in a subordinate position. It is still too early in the life of the fixed trust for us to be able to point to any which have displayed unusual acumen in their selections. The passage of time alone, with its constantly shifting industrial trends, will reveal those trusts which have chosen most wisely.

Heaviest Investment in Industrials

As an aid in visualizing the type of investment held by the trusts studied as well as to show the holdings of individual trusts, the chart which appears as a supplement to this issue was prepared. Because of the existence of a number of trusts which specialize in a single field and the fact that general accord as to the outlook for given stocks is lacking among trust sponsors a misleading result would be obtained by averaging the proportions of all the portfolios.

From the following tabulation it appears that fixed trust sponsors regard industrial common stocks as the investment media most likely to show satisfactory income and appreciation over a period of years. The number of stocks in this division greatly exceeds that in any other group and constitutes 42.3 per cent. of the total of all stocks held. Public utility common stocks and bank stocks are respectively the second and third most popular vehicles but their combined total is considerably less than that of the industrials.

The best means of visualizing the investment preference of the trusts is to segregate all the stocks into groups and compare the individual percentages to the whole, as in this table:

Investments of 94 Fixed Trusts

	Number of Issues	Percentage
Common Stocks		
Industrial	198	42.9
Utility	71	15.3
Oil	47	10.3
Railroad	32	6.9
	348	75.4
Preferred Stocks		
Utility	11	2.4
Railroad	2	.4
Industrial	1	.2
Oil	1	.2
	15	3.2
Bank Stocks	62	13.4
Insurance Stocks	37	8.0
Total Stocks	462	100.0

Preferred stocks appear in very few portfolios. This is perfectly natural in view of the fact that

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NATIONAL MONEY AND CREDIT CONDITIONS

Demand for Loans Continues Light, Except for Movement of Early Crops—Slowness Characterizes Collection Situation

MONEY MARKETS

In Eastern Sections

Boston.—Only a slight improvement is noted in call money at 2½ per cent., the money market, on the whole, being easy. Time money is quoted at 3¼ to 3½ per cent., and commercial paper at 2 to 2½ per cent.

Philadelphia.—Local banks report funds very plentiful, notwithstanding the heavy holiday withdrawals of last week. Customers are not availing themselves of accommodations, despite the concessions in rates which run as low as 4½ per cent. Commercial paper is selling at 2 to 2½ per cent., with demand in excess of the light supply.

In South and Southwest

St. Louis.—Funds continue plentiful with local banks, but the demand is light for credits from industrial and commercial borrowers, as inventories are being allowed to run down. Commercial paper is quoted at 2½ to 3 per cent. Collateral loans range from 5 to 5½ per cent., with cattle loans varying from 5 to 6 per cent.

Dallas.—Deposits generally continue to hold up well, but demand is light, except from agricultural districts where funds are required for moving crops.

In Western Sections

Chicago.—Except for the first-of-the-mouth requirements, there has been no gain in the demand for funds. Rates continue easy, with commercial paper 2 to 2½ per cent.; counter loans, 3¾ to 5½ per cent.; brokers' loans on collateral, 4 per cent.; and customers' loans on collateral, 5 to 6 per cent., with frequent shading.

Cleveland.—Demand for loans continues quiet, despite an easier trend in interest rates. The report of the Federal Reserve Bank for the week showed a revival in the total of debits to individual accounts. Loans on securities and holdings of government securities declined.

Cincinnati.—In the local money market, activity is centered principally in the bond department, with limited demand for high-grade industrials. Commercial loans are restricted, with rates unchanged on a basis of 5½ to 6 per cent. Demand from brokers has been dull, with rates holding firm at 4 to 4½ per cent.

Twin Cities (Minneapolis-St. Paul).—Local commercial banks report heavy deposits and ample funds available, but demand for money continues weak. Bank rates range from 3 to 6 per cent. Commercial paper is quoted at 2 to 2½ per cent. The last weekly statement of the Federal Reserve Bank showed a decrease in bills discounted, but total deposits and total reserves increased.

Kansas City.—Local demand for money continues slow. There has been a slightly stronger demand for funds from country districts. Funds continue plentiful, with rates ranging from 5 to 6 per cent.

COLLECTION CONDITIONS

In Eastern Districts

Boston.—Collections generally appear to be up to the average, except with installment houses; the latter report that accounts are inclined to drag.

Buffalo.—Collections in most branches of trade show an improvement over conditions prevailing a week ago.

Pittsburgh.—Collections in this district continue irregular, with the general average slow.

In South and Southwest

Baltimore.—General collections are not better than fair, despite a few reports of improvement.

St. Louis.—Retail collections are slow, and in the wholesale trade are below normal.

Dallas.—Wholesalers generally report that current collections are satisfactory, but progress has been slow in the liquidation of old accounts.

Birmingham.—Local collections continue slow, and accounts generally are being scrutinized carefully.

New Orleans.—While retailers report collections as fair, wholesalers complain of slow settlements.

Jacksonville.—Retailers report a few gains in collections, but generally they are slow.

In Western District

Chicago.—Collections generally are slow, and below normal for this period.

Cincinnati.—Collections are showing a tendency toward improvement, especially in rural districts.

Kansas City.—The little gain noted in collections this week is confined to a few houses in the retail trade.

Detroit.—Outside of a few retail lines, there has been no improvement in the collection situation.

Twin Cities (Minneapolis-St. Paul).—Despite a slight improvement, collections are not better than fair.

Los Angeles.—Though somewhat better than last week, collections still are fair to slow.

Seattle.—Although collections are a little slower with retailers, they continue fair with wholesalers and installment houses.

COURSE OF INTERNATIONAL MONEY MARKETS

Fluctuations in Gold Holdings Feature First Half Year in International Finance

MONTETARY developments in the New York capital market differed no whit this week from those prevalent throughout the year. Funds were available in almost limitless quantities, and rates remained at extremely low levels. Although the market has become accustomed to the figures quoted day by day for many months, it remains true that the charges are phenomenally modest and any long perspective of the present period will undoubtedly single this fact out as of major significance.

Money Rates Remain Low

Call money this week was again 1½ per cent. on the New York Stock Exchange, both new loans and renewals being quoted at this figure. In the unofficial outside market, call money was available every day at 1 per cent., or a concession of ½ of 1 per cent. from the official figure. Time loans also were unchanged from earlier levels. Accommodation for thirty to sixty days was available at 1 to 1½ per cent.; three to four months' loans cost 1½ to 1¾ per cent., while five to six months' datings were quoted at 1¾ and 2 per cent. Bankers' acceptances held at a range of 1 per cent. bid and ⅞ asked for thirty to ninety-day bills, while five to six months' paper remained at 1⅜ per cent. bid and 1¼ asked. Commercial paper was 2 per cent. for prime names, all dates, and 2¼ and 2½ per cent. for other names.

Backing up these low levels to a very considerable degree is the acknowledged policy of the Federal Reserve Board to keep money rates cheap as a means of stimulating the flow of funds into productive enterprise and bond investments. By this means, it is held, some of the ill effects of the economic crisis can be alleviated.

United States Adds $357,000,000 to Gold Stock

Not the least important development in this connection, moreover, was the steady stream of gold receipts by the United States. This movement has prevailed for three years with only occasional interruptions. The gold acquisitions acted as a further increase of the credit base and they gave additional assurances of monetary ease. In the first six months of this year gold in the sum of $357,000,000 was acquired and added to the monetary stock, making the aggregate not only the largest ever recorded in this country, but also the largest in the world's history in any country.

German Mark Under Strain

In the past week, European exchanges have held fairly steady, with the exception of the German mark. The latter currency has been subjected to an enormous strain by the capital flight from the Reich, induced by the German Government decree early in June imposing greatly increased taxes, and by the widespread discussion of the strain in Central European finances. The Reichsbank used up a short-term credit of $100,000,000 extended by the Federal Reserve Banks, the Bank of England, the Bank of France and the Bank for International Settlements in June, and also an old credit of $50,000,000 extended the Gold Discount Bank, a subsidiary of the German Central Bank, by New York bankers. The need for additional credits is apparent, and Dr. Hans Luther, President of the Reichsbank, departed Thursday for London and Paris to discuss the necessary arrangements with the Governors of the British and French Central banks. In the meantime, German marks remain virtually at the gold export point from the Reich.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

	Fri. July 3	Sat. July 4	Mon. July 6	Tues. July 7	Wed. July 8	Thurs. July 9
Sterling, checks..	4.86 1/16	*....	4.86 3/8	4.86 1/16	4.86 3/8	4.86..
Sterling cables....	4.86 11/32	....	4.86 5/16	4.86 5/8	4.86 5/16	4.86 11/16
Paris, checks.....	3.91 5/16	....	3.91 1/8	3.91 11/32	3.91 13/16	3.91 15/16
Paris, cables.....	3.91 5/16	....	3.91 3/4	3.91 31/32	3.92 1/16	3.92 1/16
Berlin, checks....	23.71¼	....	23.69¾	23.70½	23.70⅝	23.72¾
Berlin, cables....	23.73¼	....	23.71¾	23.72½	23.72⅝	23.73¼
Antwerp, checks..	13.92¾	....	13.94⅝	13.94¼	13.94½	13.96
Antwerp, cables..	13.94¼	....	13.96⅛	13.95¾	13.96	13.96¾
Lire, checks......	5.23 5/16	....	5.23 11/32	5.23 5/16	5.23 5/16	5.23⅜
Lire, cables......	5.23 5/16	....	5.23 11/32	5.23 5/16	5.23 5/16	5.23 5/16
Swiss, checks....	19.37½	....	19.40⅝	19.39¾	19.40	19.40
Swiss, cables.....	19.38	....	19.41⅛	19.40¼	19.40½	19.40
Guilders, checks..	40.22¾	....	40.23¾	40.25	40.28¼	40.24¾
Guilders, cables..	40.24	....	40.25	40.26¼	40.29½	40.27¼
Pesetas, checks..	9.48½	....	9.58½	9.56½	9.51½	9.52
Pesetas, cables...	9.49	....	9.59	9.57	9.52	9.53
Denmark, checks..	26.77¾	....	26.78	26.79	26.78½	26.78
Denmark, cables..	26.78¼	....	26.78½	26.79½	26.79	26.79
Sweden, checks...	26.81	....	26.81¼	26.82	26.81½	26.81¼
Sweden, cables...	26.81½	....	26.81¾	26.82½	26.82	26.82¼
Norway, checks...	26.77¾	....	26.78	26.79	26.78½	26.78
Norway, cables...	26.78¼	....	26.78½	26.79½	26.79	26.79
Greece, checks....	1.29 1/16	....	1.29 1/16	1.29 1/16	1.29 1/16	1.29 1/16
Greece, cables....	1.29 11/16	....	1.29 11/16	1.29 11/16	1.29 11/16	1.29 11/16
Portugal, checks..	4.45	....	4.45	4.45	4.45	....
Portugal, cables..	4.46	....	4.46	4.46	4.46	....
Australia, checks..	3.70 31/32	....	3.83⅛	3.70 15/16	3.71 5/16	....
Australia, cables..	3.71⅝	....	3.86 31/32	3.72¼	3.72 15/16	....
Montreal, demand.	99.59	....	99.68	99.68	99.71	99.75
Argentina, demand	32.20	....	31.75	31.95	31.70	31.76
Brazil, demand...	7.70	....	7.60	7.50	7.45	7.45
Chili, demand....	12.10	....	12.12	12.12	12.10	12.07
Uruguay, demand.	58.50	....	59.00	59.00	58.50	58.00

*Holiday

Sterling Remains Near Parity

Sterling exchange held firm this past week, with the level close to gold parity with the dollar, or in other words, at a point half way between the gold import and gold export points. The strength of the British unit also is reflected by continued acquisitions of South African gold by the Bank of England in the London auction market. French and Swiss francs, guilders and the Scandinavian exchanges also ruled firm, as these are all currencies of capital-exporting nations. The Italian lire reflected no developments of any importance, while Spanish pesetas also were quiet. Canadian exchange has prevailed at a moderate discount in New York most of the year. The South American currencies were irregular this week. Far Eastern exchange rates, based on silver metal, have fluctuated with silver and most exchanges are badly depressed.

ACTIVITY AND HIGHER PRICES FOR HIDES

By Frank O. Pratt

THE market for hides continues strong and active and additional sharp advances ruled. Each successive gain in price was the result of the urgent and, as yet, unsatisfied demand from tanners. Trading started on Monday and the higher prices followed thick and fast as business gained. Branded cows, from a start of 10½c. for June kill, an increase of 1c. later sold at 11c. for May-June salting. Branded steers first sold at 11c. for butt brands and heavy Texas, and 10½c. for Colorados and light Texas, with additional activity at 11½c. and 11c. respectively, and by midweek at 12c. for a small sale for butts and 11½c. for Colorados. The balance of the list displayed strength. Native steers sold at 12c. for June and also for July; later, it was reported, 12½c. was paid. June-July light native cows brought 12c. and July resale light cows brought 12½c. Packers have kept their stocks moving briskly and have little reserve. Country hides are responding to the demand in the packer market. Extremes sold on Monday in Chicago at 10c. and buffs at 8c. Later, dealers were not inclined to trade further at these rates, offerings keeping very narrow and the receipts and kill light.

At the River Plate, stocks of frigorifico steers were closely sold up to current production with offerings narrow. Latest business comprised Argentine steers to Europe at 11⅝c., but there were reports of later bids ranging up to 12¼c.

Calfskins strengthened. One packer reports securing as high as 19c. for June skins, said to be Detroit-Evansville stock, regarded as special points and light average. This price compares with 16c. previously ruling for regular Northern points. City skins were nominal and held at advances. In New York, former sales rates are refused, such as $2.25 for 9 to 12 pounds, while 7 to 9's are not available on the last selling range of $1.45 to $1.50. On 5 to 7's, one collector, who placed skins in cold storage, has materially higher views. Latest business in packer kips was at 13½c. for natives. Kips are quiet in New York; Chicago city's were last held at 12½c.

Sole Leather is Active and Higher

Sole leather has ruled more active and is firmer. Large tanners report further advances in prices as the result of the continued strong hide market. Boston noted the majority of sales of backs and bends averaging about 1c. per pound up, rather than the full 2c. or 3c. rise, although later, business was said to have been transacted at the full increase. Cut soles were particularly active in the East but later, there was talk of cutters refusing to market their product at the relatively low price compared with whole leather and raw stock markets. Western cutters of taps are advising Eastern representatives that prices are to be advanced. Offal shows an improved situation on both bellies and double rough shoulders. Prices are also steadier. Some tanners who had previously worked off surplus supplies of bellies, now report that stocks show quite a reduction.

In upper leather chrome sides have been active and are higher. New lists show an advance of from 1c. to 2c. per foot, from former levels, and sales are being consummated at the increase. Calf leathers are also firmer, but thus far not reported quotably higher. Men's weights are reported in demand at 33c., buyers generally want low-priced leather. Some of the New York distributors report a good demand for kid, especially the dark brown and black satin mat finish, from manufacturers of women's high-grade turn shoes. It also appears that these same buyers are not giving any particular attention to grain calf.

Shoe Production on a Large Scale

Production by shoe manufacturers continues active, and reports from the largest concerns, who operate tanneries also, are that sales are increasing —with some plants, there are sufficient orders booked to insure active operations into September. New England advices continue to note that there has been a sharp upturn in the volume of footwear business. Similar reports emanate from the South. Practically all sections are busy, the West relatively more active than the other places. In the Metropolitan area, manufacturers of women's high-grade turns are apparently not sharing to the same extent in activity as other sections, probably because of the trend still turning toward low cost merchandise. Most of these plants are closed down for inventory taking. New York and Brooklyn stitchdown makers are an exception, however, and keep very busy.

Preliminary figures place exporting of patent leather for the first four months of 1931 at 12,861,843 square feet and if this trade during the balance of 1931 is maintained at this ratio the total for the current year will exceed 38,000,000 square feet, or a further substantial increase over last year. There have been indications of revival of popularity of patent leather for home use. During the Spring, domestic business showed considerable expansion and was further increased by heavy manufacture of bark tanned leather to go into pocketbooks, bags, etc. It was said that increase for shoe work in the Spring over last Fall was from 4 per cent. of upper leather cutting to 12 per cent., and there have been predictions that there would be a jump to 20 per cent. in cutting of patent for Fall shoe work.

TRADE REVIEW OF THE WEEK

DEMAND naturally slackens at this season. Midsummer weather restricts industrial and distributive trade. Preparations are well under way, however, for Fall business, and in several industries constructive developments which have been held in abeyance for several months, are increasingly in evidence. The seasonal let-down is less marked than it was a year ago, particularly in the textile and shoe divisions. The latter is more active than it was in July of last year and many factories in some sections of the country are operating at capacity. The wool mills are better employed, with the consumption of the staple larger, even at the higher prices. Although there was some recession late in June, production and shipment of cotton cloth was greater than it was a year ago. In many manufacturing centers, unemployment is less severe than it was at the beginning of June.

The hot weather and the general acceptance of the better times philosophy have resulted in the largest retail sales in many cities since early in the Spring. Some of the department stores during the last two weeks claim to have exceeded their sales totals of 1930. Sport goods, vacation articles, women's apparel, men's furnishings, shoes and textiles reveal the most activity. Distribution of electrical lines in some centers is running well ahead. Early reports of chain stores for June indicate some increases. Fall buying at wholesale, which commenced this week, reveals a well-defined policy to select goods where the price levels are especially attractive. Buyers for many of the larger stores continue to purchase for short time delivery and in many instances have no thought of keeping up normal inventory assortments. It appears evident that retail stocks are being so greatly reduced that a reaction in the way of active trading may be seen before the Summer is much further advanced.

While advances in commodity prices have outnumbered declines this week for the fourth consecutive week, the spread between the two figures has been narrowed somewhat since the first of the month. With the total alterations in *Dun's* list of wholesale commodity quotations numbering 54 for both weeks, the advances showed a 30 per cent. decline from last week's total. The 30 advances, however, were 18 above the 12 set down for the comparative week of 1930, but were 13 below the 43 recorded for last week. Of the 24 declines this week, 14 occurred in the fodstuffs group. In the hides and leather groups all the changes made were upward, and there were more plus than minus signs in the lumber, metals and coal listings. Cotton and wool maintained their previous quotations. While the spurt that was given the commodity markets at the time of the debt plan announcement has subsided, the fact that a year ago this week the declines totaled 59 is not without its favorable significance.

DUN'S INDUSTRIAL INDICES

Factors Reported Weekly:

Dun Reports	1931	1930	P.C.
Bank Clearings	$6,854,344,000	$8,201,954,000	—16.4
Commodity Price Advances	30	12	—....
Commodity Price Declines	24	59	—....
Insolvencies (number)	389	428	— 9.1
Industrial Activity			
†Crude Oil Output (barrels)	2,482,500	2,581,500	— 3.8
Electric Power Output (kwh)	*1,575,780	*1,620,546	— 2.8
Freight Car Loadings	759,299	936,848	—18.9

Factors Reported Monthly:

Agriculture	1931	1930	P.C.
‡Cotton Consumption (bales)	465,770	473,284	— 1.6
Cotton Exports (bales)	335,769	208,695	+60.9
Dun Reports			
Price Index Number	$146.591	$171.598	—14.6
Insolvencies (number)	1,993	2,026	— 1.6
Foreign Trade			
Merchandise Exports	$205,000,000	$320,034,000	—35.9
Merchandise Imports	182,000,000	284,683,000	—36.1
Industrial Activity			
Building Permits	$89,087,118	$119,421,575	—25.4
Pig Iron Output (tons)	1,638,627	2,934,129	—44.2
Steel Output (tons)	2,075,500	3,440,239	—39.7
Unfilled Steel Tonnage	3,626,452	4,039,227	—10.4

†Daily average production. ‡Domestic consumption.
*(000) omitted.

The situation in the Pittsburgh iron and steel markets continues very quiet. Various finishing units will observe a protracted holiday and these suspensions will cut into output materially. *The Iron Age* indicates pig iron production in June at 1,638,627 tons, against 2,934,129 tons in June of last year. A moderate accumulation of current orders will permit resumption of finishing schedules at a fair rate in some quarters. Good-sized contracts for line pipe have been let recently, an additional tonnage being divided between two Pittsburgh plants. Structural fabricators are still getting a fair tonnage of miscellaneous work, with bridge and other public projects pending, while barge and tank jobs provide some additional volume, though the aggregate falls short of normal. Sheet mills are facing reduced shipments, though hopeful of maintaining operations at 30 per cent. at least. Prices on finished steel are not fully stabilized, but third-quarter quotations are reported subject to less shading.

A fractional reduction in the price of print cloths featured the primary market for dry goods this week, following a renewal of the decline in raw cotton, and a recession from the very active buying period at the end of June.

BUSINESS CONDITIONS OF THE WEEK—REPORTED

PHILADELPHIA.—There has been increased inquiry in a number of lines during the week, and some gain also in the orders booked. The more cheerful attitude noted a week ago continues to spread, and it is the general belief that a definite trend upward has been started. Retailers' stocks of men's tropical worsted and sport clothing are nearly depleted. Women's and children's Summer apparel is selling in good volume.

Demand for glazed kid during the last two months is better than at any period since 1923; prices are holding firm. Volume of business in the chemical trade is satisfactory, and inquiries for machinery are on the increase. Movement of paints has been unusually good. There has been a slight betterment in the coal trade.

PITTSBURGH.—Retail trade continues in fair volume, although prices are averaging considerably lower than they did a year ago. Wholesalers report buying light, and almost entirely for filling-in purposes. Industrial operations show a moderate decline, as is customary at this period of the year. The operations of steel mills appear to be averaging from 30 to 35 per cent. Plate glass production is estimated to be about 25 per cent. lower than it was a year ago, with demand quiet. Movement of window glass continues at a low rate, while manufacturers of glass bottles report demand increasing.

SYRACUSE.—Abnormally high temperature, while stimulating sales of light wearing apparel, had a tendency to slow down sales of the heavier lines. Wholesalers report fill-in orders principally. A comparison of sales with the total of 1930 reveals a slight reduction. A more cheerful tone is evident in all branches of trade, and a good Fall business is expected. Fruit, vegetable and grain crops are all heavy.

BUFFALO.—With delayed purchases and special vacation needs aided by seasonable weather, retail sales show a further gain. In some instances, totals are not far behind those of a year ago. Chain stores and mail-order houses report good increases in distribution.

Primary markets continue to display a waiting attitude, with orders largely for staples. Sales of automobiles are ahead of anticipations earlier in the season. Permits for residence building continue to gain.

ST. LOUIS.—There has been a slight increase in manufacture of men's clothing. Drugs and chemicals are in fair demand, as are soda fountain supplies and equipment. There is active demand for insecticides and fertilizers. There has been an upward trend in the sales of electrical supplies, and slight increase in the sales of furniture. There has been slight improvement in wholesale hardware.

New flour business is getting under way, but the volume of sales is much under normal. Production of mills in St. Louis and East St. Louis for the week ending June 27, was 52,500 barrels, compared with 44,850 barrels the preceding week, and 74,000 during the corresponding week last year.

LOUISVILLE.—While not marked, there has been a slight improvement in the general business situation, with sales of seasonable merchandise making the best showing. Demand for furniture is better, but sales of kitchen and hotel equipment reveal a decline from the good showing made in April and May. June was the best month the local printers have had this year, but business with lithographers still is slow. Hardwood lumber is a little more active than it was a month ago.

BIRMINGHAM.—Department store sales are holding up fairly well, volume for June being reported in excess of the sales for both May, this year, and June, 1930. Department store inventories are uniformly lower than for some time. Wholesale dry goods and kindred lines continue to show a loss in volume, though stocks have been considerably reduced.

Electric power output in May, as measured in kilowatt hours, shows an increase of nearly 10 per cent. over the April total, but a decrease of about 10 per cent. over the May, 1930, record. Building operations are being confined largely to repairs.

DALLAS.—During recent weeks sales of seasonable merchandise have been benefited by warmer weather and the vacation period. Certain implement articles showed an increase as harvesting began. A record grain crop is being harvested. The cotton crop is about two weeks late; on the whole, it is in good condition. Lack of rain is being felt, and insect depredations are noticeable in some sections, but not to any appreciable extent.

CHICAGO.—The normal after-the-Fourth lag in retail trade was offset, in part, by heavily-advertised clearance sales of apparel and other Summer items, which draw a good response. Reports from financial sources indicate that earnings with some companies were as good as during the half of 1930, despite the lower volume of sales.

Livestock sold off on Monday, due to heavy receipts, and then steadied, the drop for most grades of cattle ranging around 25c. Hogs sold off both days, with a Tuesday top of $7.45. Hide prices scored another sharp advance, the gains over the Friday close ranging from ½c. to 1½c. for the more active big packer grades.

CINCINNATI.—Evidence of increased activity and partial recovery in certain lines is not entirely lacking, and expressions of confidence relating to the outlook in the Fall are more frequent. In job-

bing markets, house trade has been fairly active, with less resistance, when commitments are under consideration. In the retail division, demand for hot weather requisites and vacation needs is more pronounced, with some attention being given to the sale of men's lightweight clothing. Machine tools business is entering the second half of the year with more promise. Both inquiries and orders picked up during the past week.

TOLEDO.—Retail trade has been stimulated by a period of extremely warm weather. In textile fabric lines, canvas glove factories are operating three days a week, and makers of women's wrappers report increased sales, but at a decreased margin of profit. Fifty-one industrial plants report a seasonable drop in employment. Plants making automotive parts report about the same measure of operations as for two weeks past.

DETROIT.—Trade at the present time is marked chiefly by somewhat greater interest in retail movement of seasonal merchandise, consonant with weather conditions. Wholesale and jobbing houses are finding only a moderate demand from customers, who are not inclined to buy heavily. There is nothing materially new in the factory situation. Building operations and construction work continue to show a recession.

TWIN CITIES (Minneapolis-St. Paul).—Recent copious rains have brought relief to pasturage, corn and other late crops in portions of this trade territory, but they came too late to restore the westerly portion of the Spring wheat belt from the devastating effect of the preceding period of intense heat.

Retail trade in the cities apparently is holding the gains previously reported, but its trend has been affected by sharp changes in the weather. Wholesale demand for staple merchandise is more spotted than it was last month, owing to changes in crop prospects and because of low prices of grain and dairy products.

KANSAS CITY.—Heavy arrivals of wheat continue, with prices a trifle weaker. New flour business still is slow. Livestock receipts were somewhat lessened, on account of the holiday, but prices remained steady. Retail volume has been called satisfactory during the week, although merchants report profits cut because of heavy advertising and attempts to clear stocks.

MILWAUKEE.—Exceedingly warm weather the past week has had the effect of cleaning the market of such seasonal merchandise as white flannel trousers, polo shirts, straw hats and electric fans, besides creating an unusual demand for men's underwear and other Summer products. Various factories in the textile line also complained of the inconvenience caused by the necessity of shutting down operations in full or in part, due to the hot weather.

All of these facts again go to emphasize the extreme shortage in merchandise of many varieties. Furthermore, the heat also affected crops; the pea crop will show a decided shortage. Other crops have been benefited, and the general reports from the farming districts continue favorable. In industry, the best reports are received from shoe manufacturers.

LOS ANGELES.—Retail sales have been well maintained, special activity being noted in the Summer apparel and vacation merchandise. Reports from country districts show an improvement in demand for seasonable goods, which also is reflected in a better volume of sales with the local wholesalers. Increased activity was noted in mining and oil machinery during the week.

Los Angeles building permits for June established a new monthly record for this year, showing a total of 2,100 permits with a valuation of $4,460,040. Increased demand in the Eastern markets for lemons has resulted in higher prices being obtained, but other citrus fruits still are selling much below the average figure.

SAN FRANCISCO.—Although wholesalers report lowered sales, more activity was noted during the week, particularly in women's dresses and millinery, due to the first showings of Fall goods. Automobile sales are holding their own, and the downward movement of building materials seems to have been checked.

Sales of electrical refrigerators continue to increase, and output of electrical power is gaining, owing to a wider use of current in agricultural sections. As a whole, the situation is regarded as satisfactory, and the employment index appears to be on its way upward.

SEATTLE.—Retail sales were lower this week, but active preparations continue for a good Fall trade. Although still below the record of a year ago, sales of automobiles showed a gain over the total of the week previous. Unsettled conditions are apparent in the Pacific cargo market, due chiefly to the continued weakness in the wheat trade.

PORTLAND.—Summer merchandise moved well at retail during the week, and the holiday brought an active demand for outing goods. Jobbing business was of fair volume. Carlot unloadings of fruits and vegetables were the largest in any week in the past twelve months. There was an increase in employment in the grain and fruit harvesting districts, with the average holding up well in canneries and on highway construction. Weather conditions are favoring the grain crops, and the wheat outturn will be much better than was estimated a month ago.

SIX MONTHS OF TRADING IN THE GRAIN MARKETS

Grain Stabilization Board Dominates Activity, Causing Wide Swings in Prices—This Week's Trading Light

By H. G. Seely

THE record of the grain markets during the first half of the year was dominated largely by the grain stabilization corporation's operations in wheat and the aftermath of a huge total of unsold grain. Contributing also to the steady decline in prices of all grains during the six months was the lack of speculative interest, and the keen competition of Argentine, Russian, Australian, and Canadian wheat for the export markets. American grain was kept from export during the first quarter by the high "stabilized" prices.

First-Quarter Prices Best

Throughout the period of old crop deliveries, which ended in May, the Farm Board kept prices "pegged" at around 80c. a bushel until March, and 82½c. thereafter. Wheat generally gave the best price account of itself during the first quarter. The first official indication of the Farm Board policy, with regard to the new crop came on January 24, when it was announced that the stabilization would not be attempted except in an emergency.

On February 26 came the announcement that the Board would sell 35,000,000 bushels of its holdings in the export markets at prevailing price levels—a statement which was followed by the first of a series of really sharp declines. An announcement by the Grain Board on March 28 that the new "pegged" price for cash wheat would be 82½c. or higher brought about a short rally. The close of the first quarter saw the "pegged" March delivery quoted at 71⅞c. and July (unsupported) at 60⅛c.

Board's Move Weakens Market

The Farm Board's announcement of its withdrawal from the market at the end of May, with holdings estimated at 200,000,000 bushels of wheat came more promptly than the speculative element expected, and June 3 saw a wide open break of 2½c. to 5⅛c. for the various deliveries. After that, the market floundered until the Hoover moratorium was announced.

Rally in Corn Brief

The coarse grains furnished interesting news during the six months, with corn the hardest hit of all on a percentage basis. March corn was quoted at 69.58c. and July at 72¾c. as the year started. The end of June saw the July delivery at a little better than 60 per cent., and December futures at 54½c. The close of March saw the July delivery selling at a 4 per cent. premium over wheat, but this disparity was wiped out later.

Oats and Rye Follow Wheat

Oats and rye moved in a narrower range throughout, but followed the general tendencies of the two leaders. March and July oats ranged at 33⅛c. and 33c., as the year began, and ended June 30 with July at 30⅝c. The June close on oats was about 6c. higher than at the end of May because of this. Rye began the year at 42½c. and 42¾c. for March and July deliveries, and ended June with July at 37c., September 40c., and December 44½c.

Wheat Touches New Low

After a fairly firm close last Monday, grains worked steadily lower during the next three days on the Chicago Board of Trade. Wheat was the hardest hit, the coarse cereals holding for the most part within a fractional range. Weakness in stocks and cotton helped the decline along during the first half of the week. The leading cereal withstood the news of good rains in Canada and the Northwest on Monday, and closed ⅜c. to 1¼c. higher, rallying after early weakness. Tuesday and Wednesday saw losses of major fractions and Thursday another break of ⅝c. to 1⅛c.

Export buying has remained light, and the amount of Russian wheat in the offing is an uncertainty. New arrivals of Winter wheat continued heavy, and the combination gave the bear traders the edge most of the week. Added to the bearish foreign news was the cable that Germany had increased its plantings of wheat sharply, and cut those of rye.

Daily closing quotations of grain options in the Chicago market follow:

	Fri. July 3	Sat. July 4	Mon. July 6	Tues. July 7	Wed. July 8	Thurs. July 9
WHEAT:						
July	55¾	*..	55⅝	55⅝	54⅝	53½
September	57	..	56	55¾	55½	54¾
December	61⅜	..	60½	59⅞	59⅝	59
CORN:						
July	59	..	59½	60¼	59¾	56¾
September	55½	..	54⅞	54⅝	54	53⅜
December	49¼	..	48½	48⅛	48	48⅜
OATS:						
July	27½	..	27⅛	27	27	26¾
September	28⅜	..	27⅞	27⅝	27¾	27⅜
December	31⅝	..	30⅞	30¾	30¾	30½
RYE:						
July	36½	..	35⅞	35½	35¼	35
September	39	..	38¾	38¼	38	37¾
December	43¼	..	42⅝	42½	42	41½

The grain movement each day is given in the following table, with the week's total, and comparative figures for last year:

	Wheat		Flour,	Corn
	Western Receipts	Atlantic Exports	Atlantic Exports	Western Receipts
Thursday	2,676,000	97,000	1,000	561,000
Friday	2,696,000	319,000	11,000	333,000
Saturday	*........	....	......	....
Monday	†6,073,000	378,000	5,000	875,000
Tuesday	1,655,000	748,000	15,000	440,000
Wednesday	2,762,000	597,000	14,000	468,000
Total	15,862,000	2,139,000	46,000	2,677,000
Last year	‡9,927,000	1,687,000	74,000	1,894,000

*Holiday. †Two days. ‡Three days.

THE DRY GOODS MARKETS ARE QUITE ACTIVE

Important Readjustment of Values Under Way—Woolen Mills are Unusually Busy

TRADE in several divisions of the primary dry goods markets became noticeably more quiet before the holiday. Trade at this time is only beginning to shape up for Fall. In retail channels offerings of low priced merchandise are quite remarkable, being rather more general than is normally expected even in pre-inventory days. In many departments price concessions represent the final determination of many merchants to readjust values to a closer parity with the declines that have gone on for months in first hands, but in several departments they give evidence of the ability of stores to purchase very low priced merchandise at first hands.

Several instances are cited showing that retail sales are not falling off in keeping with trade in many wholesale lines. It is believed that many of the ratios of trade in stores are being maintained by the stimulation of consumer demand by unusually low prices. Buyers for these stores have continued to purchase for short time delivery and many of them admit that they are not attempting to keep up normal inventory assortments. Sellers who are watching these developments feel confident that retail stocks are being so greatly reduced that a reaction in the way of active buying will be seen before the Fall trade can get under way.

In silk and cotton mills curtailment of production is extending, and will be continued throughout the Summer, unless there is an unexpected revival of demand in the meantime. The worsted mills are very active, many of them being forced into overtime operations to make required deliveries, and the garment and clothing trades are becoming more active on seasonal work. Rayon producers continue full operations, although orders are seasonally less. In the knit goods field operations are spotty, the peak of bathing suit and light sweater buying having passed, and hosiery manufacturers hesitating about accumulating goods in advance of orders.

Cotton Goods Are Easier

Print cloths declined ⅛c. to ¼c. a yard in price this week on small buying, due to a drop in raw cotton, and following a very active buying period at the end of June. Narrow sheetings hesitated and there was no change in cotton duck, and lines of heavy goods for industrial purposes. Very moderate orders came forward on staple fine combed goods, but more business is offering on specialties in fine yarns for Fall and early Spring. Next week new lines of bedspreads will be opened at 10 per cent. reduction from Spring prices, and many fancy lines will be displayed. Little change is noted in the demand for sheets and pillowcases, towels, and other staples, although agents say many small orders are being received steadily.

In the wool goods division Summer business is slackening but it appears that the scarcity of many tropical suitings wanted, bids fair to make for the placing of early advance business for another season. More overcoating business has been developing, and women's wear fabrics are now being bought more generally for Fall cutting. The call for plain serges for men's wear continues, and some very sizeable business has been booked. On the whole, the wool goods producers appear to be better supplied with business than for three years past.

A sharp advance in raw silk in speculative markets was followed by some recession. Some manufacturers purchased moderate quantities for early Fall but most of the trade is contending that it is unable to secure cloth prices in keeping with the higher prices for raw silk and is holding out of the markets. New Fall lines are chiefly noticeable because of the attention given to velvets and fine heavy crepes, some of which are going into the cutting field in substantial quantity.

On low-end rayon yarns prices are most irregular and there has been some breaking away from the uniformity of guarantees and list prices. The industry is well occupied and has booked a larger proportion of orders with weaving mills than a year ago and is still to receive normal orders from the knitting trades.

Great Activity in Wool Goods

Some of the large Lawrence, Mass., worsted plants are operating on day and part-night schedules and are finding difficulty in securing all the desirable help that could be used. The rush is a result of delayed purchases by clothing manufacturers all over the country, and their eagerness now to get goods in hand at once for immediate cutting. It is inevitable that several mills will be unable to deliver as fast as customers will take goods. The market for many of the more active worsted suitings is so tightly sold that some mills cannot undertake new deliveries until late in August.

Advance buying of raw wool by manufacturers in the Boston wool markets was the most general that has been reported for a long time, and reflected the sold-up position of several mills, as well as a growing feeling that prices may be higher. The demand for wool goods, outside of overcoatings and coatings for women is much below normal. Recently there has been more inquiry for sample lengths of fine woolen suitings that seem to be exceedingly scarce in the markets.

STEEL CONSUMPTION FOR HALF-YEAR DISAPPOINTING

Recession Recorded in Both Output and Earnings, with Prices at Decade's Lowest—Better Tone in Current Trade

By E. M. Jones

FROM the standpoint of both production and earnings, the record in steel for the first half of the year has been disappointing. The average output at no time was much above 50 per cent., and the period closes with the average at about 35 per cent., with competitive factors holding prices to a narrow level. Moderate gains in demand over the Spring months has been followed by a seasonal decline; with miscellaneous finished descriptions, the net results fall considerably short of normal.

Structural Demand Lifts Volume

In fact, production figures were supported to a large degree by major projects in pipe line construction, structural awards in fairly good volume and requirements in tin plate. Consumption of sheets and other flat rolled descriptions fluctuated from month to month, sheet sales reaching the peak in March at 64 per cent., and receding in May to 41 per cent. Unfilled sheet tonnages of reporting plants at June 1 were 296,731 tons this year, as compared with 461,756 tons last year.

General Recession in Prices

Prices allowed but little encouragement and earnings, as reported by various units, reflected selling values close to actual costs. Composite prices as tabulated by *The Iron Age* on finished steel were 2.121 cents per pound on December 29, 1930, advancing to 2.142 cents in January (the high point), and receding to 2.102 as of June 26. Based on revised sheet quotations, the figure advanced July 2 to 2.137 cents. For the third quarter, several descriptions have been revised upward.

Scrap Lowest in Two Decades

Primary materials have continued sluggish since the first of the year, merchant pig iron output being the lowest in years. At some centers, sales of surplus iron by steel interests have been at concessions from regular quotations. Pittsburgh producers have maintained quotations unchanged, the exceptional situation being noted of all grades at the uniform price of $17.50, Pittsburgh, furnace. *The Iron Age* composite on pig iron as of July 2, stands at $15.59, the lowest since November, 1915.

Scrap held its ground fairly well until the latter part of the half year, when values receded rapidly, heavy melting steel dropping from $13 at the opening of the year to $9.50 and $10, Pittsburgh delivery, the lowest point in two decades. Dealers express the opinion that the bottom has been touched, and within the past week a slightly better tone has developed. Fuel has been reacting moderately in the Pittsburgh market, by reason of coal mining labor trouble.

Current Output at 35 Per Cent.

Since the first of the month, comparisons in steel operations are more or less relative, as various finishing units in the Pittsburgh district protracted the holiday shutdown, and these suspensions have cut into output. Taken as a whole, average ingot capacity has continued at 30 to 35 per cent., and a moderate accumulation of current orders will permit resumption of finishing schedules at a fair rate. Good-sized contracts for line pipe have been let recently, and additional tonnage being divided between two Pittsburgh plants.

Fair-Sized Structural Orders

Structural fabricators still are getting a fair tonnage of miscellaneous work, with bridge and other public projects still pending. Barge and tank jobs provide some additional volume, though the aggregate falls short of normal. Automobile manufacturers are preparing to shut down several weeks over the Summer, and sheet mills are facing reduced shipments, though hopeful of maintaining operations at 30 per cent., at least.

Third-Quarter Quotations Firmer

Prices on finished steel are not fully stabilized, but third-quarter quotations are reported subject to less shading. Galvanized sheets are quoted $2.90, Pittsburgh, hot-rolled annealed sheets at $2.40, Pittsburgh, and automobile body stock at $2.10, Pittsburgh. Sheets and strip steel by the continuous process are quoted $1.65 and $1.70, Pittsburgh. Cold-rolled strip steel is firmer at $2.15, Pittsburgh.

The usual price on merchant bars, structural shapes and plates is $1.65, Pittsburgh. Wire nails to jobbers are quoted $1.80 per keg, though $1.90, Pittsburgh, is named in occasional transactions. Semifinished steel is quiet, and contracting interests are lacking, sheet bars and billets being quoted at $29, and $30, Pittsburgh.

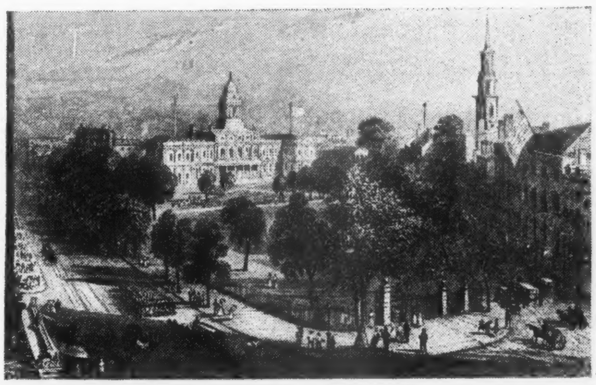
Fuel brokers state that the situation is firming up, the continued strike at different points in Pittsburgh district showing an effect on output and shipments. Furnace coke now is fairly steady at $2.40, and the former price of $2.50 a ton at oven was restored in some instances. Foundry coke is quoted up to $3.50 at oven for ordinary grades.

PAGES FROM THE PAST

THE panic of 1837 was the direct cause of the formation of R. G. Dun & Co., the oldest and largest Mercantile Agency in the world.

One of the organizations which failed in that year was the well-established silk house of Arthur Tappan & Co., the proprietors of which were the brothers Arthur and Lewis Tappan.

Lewis, who had a keen insight into human nature and a remarkable memory, had had active charge of the company's credit accounts. He interviewed each new credit applicant personally and he is said never to have forgotten a detail that was reported to him. His knowledge of the characters and records of concerns using credit accommodations locally and out of town was so broad that his specific advice was frequently asked by the other business men of the city.

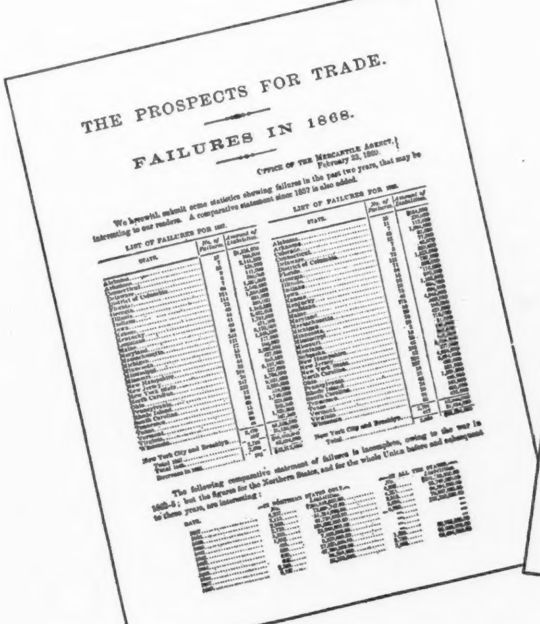


The Park and City Hall, New York, as they appeared in 1841, when the Mercantile Agency was established.

In planning for the future the conviction grew upon Lewis Tappan that his wide experience in appraising the responsibility of traders was of value to the business community. He thought it practical to furnish credit information to subscribers who would take the service on an annual basis. Encouraged by the reception the plan received he determined, in 1841, to establish "The Mercantile Agency." On August 1 of that year the business was started under that title—the name it has ever since retained.

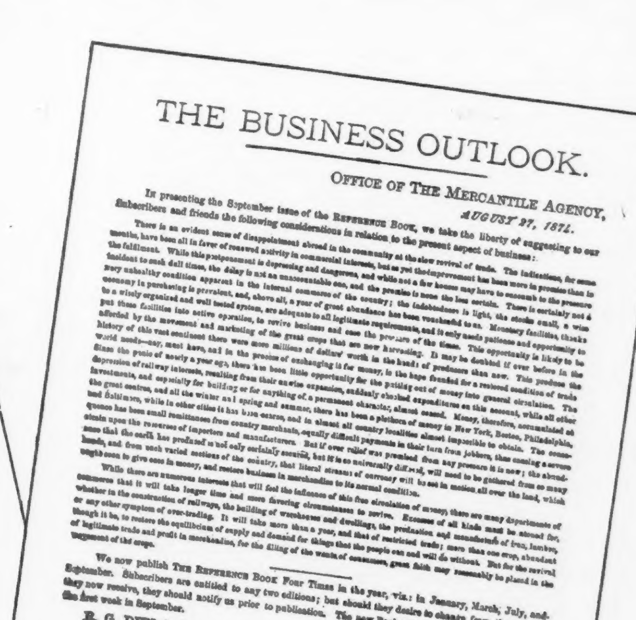
Offices were eventually established in other cities and arrangements were made for the exchange of information. As the broad scope of the organization became generally known many requests were received regarding general business conditions. To fill this need the semiannual publication of failure statistics and trade reviews was begun. The form used in these reports is well illustrated by the two reproductions shown below.

On August 5, 1893, *Dun's Review* was started, and these reports of business conditions were made a weekly feature, while failures were reported weekly and monthly as well as by quarters and annually.



THE PROSPECTS FOR TRADE.

FAILURES IN 1868.



THE BUSINESS OUTLOOK.

OFFICE OF THE MERCANTILE AGENCY,
AUGUST 27, 1874.

IN presenting the September issue of the REFERENCE BOOK, we take the liberty of suggesting to our Subscribers and friends the following considerations in relation to the present aspect of business:

We now publish THE REFERENCE BOOK FOUR TIMES in the year, viz.: in January, March, July, and September. Subscribers are entitled to any two editions; but should they desire to change from the editions they now receive, they should notify us prior to publication. The new Book will be ready for delivery during the first week in September.

R. G. DUN & CO.

Early failure and general business reports published by R. G. DUN & Co.

WEEKLY QUOTATION RECORD OF

Commodity Advances Slightly Fewer

WHILE advances in commodity prices have outnumbered declines this week for the fourth consecutive week, the spread between the two figures has been narrowed somewhat since the first of the month. With the total alterations in Dun's list of wholesale commodity quotations numbering 54 for both weeks, the advances showed a 30 per cent. decline from last week's total. The 30 advances, however, were 18 above the 12 set down for the comparative week of 1930, but were 13 below the 43

	Ch'ge	This Week	Last Week	Last Year
FOODSTUFFS				
BEANS: Pea, choice ... 100 lb	—.25	4.50	†4.75	7.00
Red kidney, choice ... " "	—.25	6.75	7.00	11.25
White kidney, choice ... " "		6.00	6.00	9.75
COFFEE, No. 7 Rio ... lb	—⅛	6¾	6⅞	7¼
" Santos No. 4 ... "		9½	9½	12¾
DAIRY:				
Butter, creamery extra ... lb	—½	24½	25	34½
Cheese, N. Y., fancy ... "		14	14	23
Eggs, nearby, fancy ... doz		30	30	34
Fresh, gathered, extra firsts ... "		19½	19½	25
DRIED FRUITS:				
Apples, evaporated, fancy ... lb		10½	10½	14
Apricots, choice ... "		14	14	14
Citron, imported ... "		16½	16½	21
Currants, cleaned, 50-lb. box ... "		11¼	11¼	11¼
Lemon Peel, Imported ... "		16½	16½	14½
Orange Peel, Imported ... "		17	17	15½
Peaches, Cal. standard ... "		8¼	8¼	12¼
Prunes, Cal. 40-50, 25-lb. box ... "		6¼	6¼	8¼
FLOUR: Spring Pat ... 196 lbs	—.15	4.35	4.50	5.15
Winter, Soft Straights ... " "	—.10	3.90	4.00	4.35
Fancy Minn. Family ... " "		5.85	5.85	6.45
GRAIN: Wheat, No. 2 R ... bu	—.21½	73½	95	1.03⅝
Corn, No. 2 yellow ... "	—.02	74⅛	76⅛	95⅝
Oats, No. 3 white ... "	+.01	39	38	45
Rye, No. 2, F.O.B ... "	—.03⅛	42¾	45⅞	..
Barley, malting ... "	—⅞	51½	52⅜	64⅞
Hay, No. 1 ... 100 lb		1.20	1.20	1.40
HOPS: Pacific, Pr. '30 ... lb		22	22	21
MOLASSES AND SYRUP:				
Blackstrap—bbls. ... gal		10	10	17
Extra Fancy ... "		54	54	60
PEAS: Yellow split, dom ... 100 lbs		4.00	4.00	5.50
PROVISIONS, Chicago:				
Beef Steers, best fat ... 100 lb		8.50	8.50	11.75
Hogs, 220-250 lb. w'ts ... " "		6.75	6.75	9.25
Lard, N. Y. Mid. W ... " "	—.05	8.45	8.50	9.75
Pork, mess ... bbls		23.00	23.00	31.50
Lambs, best fat, natives ... 100 lb		8.25	8.25	11.00
Sheep, fat ewes ... " "	+.50	3.50	3.00	3.50
Short ribs, sides l'se ... " "	—.50	9.00	9.50	13.75
Bacon, N. Y., 140 down ... lb	—.01	11¼	12¼	15½
Hams, N. Y., 18-20 lb. ... "	+¼	13¼	13	18¾
Tallow, N. Y., sp. loose ... "		3⅛	3⅛	4¾
RICE: Dom. Long grain, Fancy ... lb		6	6	6¼
Blue Rose, choice ... "		3⅞	3⅞	4¾
Foreign, Japan, fancy ... "		3⅞	3⅞	4¾
SPICES: Mace, Banda No. 1 ... lb		52	52	65
Cloves, Zanzibar ... "		18½	18½	25
Nutmegs, 105s-110s ... "		16	16	19½
Ginger, Cochin ... "		8½	8½	16
Pepper, Lampong, black ... "		12	12	20¾
" Singapore, white ... "	—¾	18	18¾	26
" Mombosa, red ... "		20	20	18½
SUGAR: Cent. 96° ... 100 lbs		3.42	3.42	3.32
Fine gran., in bbls ... " "	+.10	4.65	4.55	4.70
TEA: Formosa, standard ... lb		12	12	13
Fine ... "		22	22	28
Japan, basket fired ... "		12	12	14
Congou, standard ... "		12	12	12
VEGETABLES: Cabbage ... crate		1.75	1.75	1.00
Onions, Eastern, Yel ... bskt.		1.25	1.25	†....
Potatoes, L. I. ... bbl		3.40	3.40	†....
Turnips, Can., Rutabaga ... bag		1.00	1.00	1.50
ADVANCES 4; DECLINES 14.				
BUILDING MATERIALS				
Brick, N. Y., delivered ... 1000		†....	†....	15.00
Portland Cement, N. Y., Trk. loads, delivered ... bbl		1.69	1.69	2.60
Chicago, carloads ... "		†....	†....	1.95
Philadelphia, carloads ... "		†....	†....	2.50
Lath, Eastern spruce ... 100		3.65	3.65	4.50
Lime, hyd., masons, N. Y. ... ton		†....	†....	14.00
Shingles, Cyp., Pr. No. 1 ... 1000		10.00	10.00	13.00
Red Cedar. Clear. rail ... "		3.51	3.51	3.96
LUMBER:				
White Pine, No. 1 Barn, 1/4" ... per M ft.		54.50	54.50	60.00
FAS Quartered Wh. Oak, 4/4" ... " " "		154.00	154.00	154.00
FAS Plain Wh. Oak, 4/4" ... " " "		115.00	115.00	114.00
FAS Plain Red Gum, 4/4" ... Per M ft.	+1.50	81.50	80.00	102.00
FAS Ash 4/4" ... " " "		105.00	105.00	110.00
FAS Poplar, 4/4", 7 to 17". " " "		82.00	82.00	95.00
Beech, No. 1 Common, 4/4" " " "		50.00	50.00	50.00
FAS Birch, Red, 4/4" ... " " "		105.00	105.00	120.00
FAS Cypress, 4/4" ... " " "		82.50	82.50	87.50
FAS Chestnut, 4/4" ... " " "		75.00	75.00	80.00
No. 1 Com. Mahogany, 4/4" " " "	+11.	65.00	154.00	165.00
FAS H. Maple, 4/4" ... " " "	—1.00	84.00	85.00	90.00
Canada Spruce, 2x4" ... " " "		31.00	31.00	35.00
N. C. Pine, 4/4", Edge, Under 12" No. 2 and Better ... " " "		42.00	42.00	46.50
Yellow Pine, 3x12" ... " " "		58.00	58.00	64.00
FAS Basswood, 4/4" ... " " "		76.00	76.00	79.00
Douglas Fir, Water Ship., c. i. f., N. Y. 2x4", 18 feet " " "		22.50	22.50	25.25
Cal. Redwood, 4/4", Clear ... " " "		71.00	71.00	75.00
North Carolina Pine, Roofers, 13/16x6" ... " " "		24.25	24.25	28.00
NAVAL STORES: Pitch ... bbl		5.50	5.50	7.00
Rosin "B" ... "	—30	4.50	4.80	6.10
Tar, kiln burned ... "		10.00	10.00	13.00
Turpentine, carlots ... gal	—10¼	43	53¼	44¼
PAINTS: Litharge, com'l Am. ... lb		13¼	13¼	7¾
Red Lead, dry ... 100 "		13¼	13¼	8¾
White Lead in Paste ... lb		13¼	13¼	13¾
" " dry ... "		13¼	13¼	7¼
Zinc, American ... "		6½	6½	6½
" F. P. R. S ... "		9⅜	9⅜	9⅜
ADVANCES 2; DECLINES 4.				
HIDES AND LEATHER				
HIDES, Chicago:				
Packer, No. 1 native ... lb	+1	12½	11½	14
No.1 Texas ... "	+1½	12	10½	14
Colorado ... "	+1½	11½	10	13½
Cows, heavy native ... "	+1½	11	†9½	12
Branded Cows ... "	+1½	11	9½	†11½
No. 1 buff hides ... "	+½	8	†7½	†8½
No. 1 extremes ... "	+½	10	9½	11
No. 1 kip ... "	+½	10	†9½	†12¾
No. 1 calfskins ... "	+½	10½	†10	13¾
Chicago city calfskins ... "	+½	13½	†13	18
LEATHER:				
Union backs, t.r. ... lb	+2	32	30	41
Scoured oak-backs, No. 1 ... "	+2	37	35	47
No. 2 butt bends ... "		52	52	58
ADVANCES 12; DECLINES ..				
TEXTILES				
BURLAP, 10½-oz. 40-in ... yd	—.10	5.15	5.25	6.45
8-oz. 40-in ... "		4.05	4.05	4.95
COTTON GOODS:				
Brown sheetings, stand ... yd		6¾	6¾	10
Wide sheetings, 10-4 ... "		46	46	56
Bleached sheetings, stand ... "		13½	13½	17
Medium ... "		10½	10½	11¼
Brown sheetings, 4 yd ... "		5⅞	5⅞	8
Standard print ... "		7¼	7¼	8
Brown drills, standard ... "		7½	7½	10½
Staple ginghams ... "		7	7	10
Print cloths, 38½-in. 64x60 ... "	—½	5	5⅛	5¼
Hose, belting, duck ... "		23	23	32½
HEMP: Midway, Fair Current ... lb	+⅜	5⅝	5¼	9⅝
JUTE: first marks ... "		3.80	3.80	5.10
RAYON: Den. / Fil.				
a 150 / 22-32 ...		75	75	1.15
b 150 / 40 ...		1.30	1.30	1.65
a Viscose Process. b. Cellulose Acetate.				
SILK: Italian Ex. Clas ... lb		†2.40	†2.40	3.25
Japan, Extra Crack ... "		2.30	2.30	3.00
WOOL, Boston:				
Average, 25 quot ... lb		39.00	39.00	49.36
Ohio & Pa. Fleeces:				
Delaine Unwashed ... "		25	25	30
Half-Blood Combing ... "		24	24	30
Half-Blood Clothing ... "		20	20	25
Common and Braid ... "		16	16	24
Mich., and N. Y. Fleeces:				
Delaine Unwashed ... "		22	22	26
Half-Blood Combing ... "		22	22	27

WHOLESALE COMMODITY PRICES

recorded for last week. Of the 24 declines this week, 14 occurred in the foodstuffs group. In the hides and leather groups all the changes made were upward, and there were more plus than minus signs in the lumber, metals and coal listings. Cotton and wool maintained their previous quotations. While the spurt that was given the commodity markets at the time of the debt plan announcement has subsided, the fact that a year ago this week the declines totaled 59 is not without its favorable significance.

Evidence is increasing that commodity figures may soon begin to make less gloomy reading.

	Ch'ge	This Week	Last Week	Last Year
Half-Blood Clothing............lb		19	19	25
Wis., Mo., and N. E.:				
Half-Blood .... "		19	19	25
Quarter-Blood .... "		18	18	28
Southern Fleeces:				
Ordinary Mediums............. "		17	17	26
Ky., W. Va., etc.; Three-eighths Blood Unwashed.............. "		23	23	33
Quarter-Blood Combing......... "		22	22	33
Texas, Scoured Basis:				
Fine, 12 months............... "		58	58	75
Fine, 8 months................ "		50	50	68
California, Scoured Basis:				
Northern .... "		50	50	65
Southern .... "		46	46	60
Oregon, Scoured Basis:				
Fine & F. M. Staple........... "		60	60	73
Valley No. 1.................. "		52	52	67
Territory, Scoured Basis:				
Fine Staple Choice............ "		61	61	75
Half-Blood Combing............ "		55	55	70
Fine Clothing................. "		50	50	65
Pulled: Delaine............... "		70	70	85
Fine Combing.................. "		68	68	70
Coarse Combing................ "		43	43	50
California AA................. "		65	65	80
		Fall, 1931	Fall, 1931	Fall, 1931
WOOLEN GOODS:				
Standard cheviot, 14-oz.........yd		1.30	1.30	1.30
Serge, 11-oz.................. "		1.65	1.65	1.85
Serge, 16-oz.................. "		2.28	2.28	2.70
Fancy cassimere, 13-oz......... "		1.82½	1.82½	2.50
36-in. all-worsted serge....... "		45	45	52½
36-in. all-worsted Pan......... "		45	45	51½
Broadcloth, 54-in.............. "		2.80	2.80	3.75
ADVANCES 1; DECLINES 1.				

DRUGS AND CHEMICALS

	Ch'ge	This Week	Last Week	Last Year
Acetanilid, U.S.P., bbls..........lb		36	36	36
Acid, Acetic, 28 deg..........100 "		2.60	2.60	3.87
Carbolic, cans............. " "		17	17	17
Citric, domestic............... "		37½	37½	46
Muriatic, 18'.............100 "		1.00	1.00	1.00
Nitric, 52'................ " "		6.50	6.50	6.50
Oxalic, spot................... "		10¾	10¾	11¼
Sulphuric, 60'............100 "		55	55	55
Tartaric crystals.............. "		31½	31½	35½
Fluor Spar. acid, 98%..........ton		38.50	38.50	38.50
Alcohol, 190 proof U.S.P.......gal		2.37	2.37	2.55½
" wood, 95%.................. "		44	44	50
" denatured, form 5.......... "		22	22	39
Alum, lump.....................lb		3.25	3.25	3.50
Ammonia, anhydrous............. "		15½	15½	14
Arsenic, white................. "		4	4	4
Balsam, Copaiba, S. A.......... "		20	20	28
Fir, Canada....................gal		10.00	10.00	11.00
Peru .... "		1.50	1.50	1.70
Bicarbonate Soda, Am.......100 lb		2.64	2.64	2.25
Bleaching powder, over 34%.. " "		2.00	2.00	2.00
Borax, crystal, in bbl......... "		2½	2½	2½
Brimstone, crude domestic......ton		18.00	18.00	18.00
Calomel, American..............lb		1.82	1.82	2.05
Camphor, slabs................. "		53	53	57
Castile Soap, white...........case		15.00	15.00	15.00
Castor Oil No. 1...............lb		10½	10½	11½
Caustic Soda, 76%.........100 "		2.25	2.25	3.00
Chlorate potash................ "		8	8	8½
Chloroform, U.S.P.............. "		25	25	27
Cocaine, Hydrochloride..........oz		8.50	8.50	8.50
Cream tartar, domestic..........lb		23¼	23¼	26¼
Epsom Salts...............100 lb		2.25	2.25	2.25
Formaldehyde .... "		6	6	8½
Glycerine, C. P. in drums...... "		12½	12½	13
Gum-Arabic, Amber.............. "		9¾	9¾	17
Bensoin, Sumatra............... "		29	29	32
Gamboge, pipe.................. "		75	75	1.05
Shellac, D. C.................. "		38	38	49
Tragacanth, Aleppo 1st......... "		1.35	1.35	1.35
Licorice Extract............... "		18	18	18
Powdered .... "		33	33	33
Menthol, Japan, cases.......... "		3.35	3.35	4.15
Morphine, Sulp., bulk...........oz		7.95	7.95	8.95
Nitrate Silver, crystals....... "		22⅞	22⅞	26⅝
Nux Vomica, powdered............lb		8	8	8
Opium, jobbing lots............ "		12.00	12.00	12.00
Quicksilver, 75-lb. flash.........		103.00	103.00	120.00
Quinine, 100-oz. tins...........oz		40	40	40
Rochelle Salts..................lb		19	19	22
Sal ammoniac, lump, imp........ "		10¼	10¼	10¼
Sal soda, American........100 "		90	90	90
Saltpetre, crystals............ "		7¼	7¼	7½
Sarsaparilla, Honduras..........lb		42	42	48
Soda ash, 58% light.......100 "		1.00	1.00	1.32
Soda benzoate.................. "		40	40	50
ADVANCES ..; DECLINES ..				

METALS

	Ch'ge	This Week	Last Week	Last Year
Pig Iron: No. 2X, Ph..........ton	−.25	17.01	17.26	19.76
No. 2 valley furnace........... "		17.00	17.00	18.00
Bessemer, Pittsburgh........... "		18.76	18.76	20.26
No. 2 South Cincinnati......... "		14.69	14.69	16.69
Billets, rerolling, Pittsburgh.... "		29.00	29.00	31.00
Forging, Pittsburgh............ "		35.00	35.00	36.00
Wire rods, Pittsburgh.......... "		35.00	35.00	36.00
O-h rails, hy., at mill........ "		43.00	43.00	43.00
Iron bars, Chicago..........100 lb		1.70	1.70	2.00
Steel bars, Pittsburgh....... " "		1.65	1.65	1.65
Tank plates, Pittsburgh...... " "		1.65	1.65	1.65
Shapes, Pittsburgh........... " "		1.65	1.65	1.65
Sheets, black No. 24, Pittsb'h.. " "	+.25	2.40	2.15	2.55
Wire Nails, Pittsburgh....... " "		1.80	1.80	2.15
Barb Wire, galvanized, Pittb'h. " "		2.55	2.55	2.80
Galv. Sheets No. 24, Pittsburgh " "	+.20	2.90	2.70	3.15
Coke, Connellsville, oven.......ton				
Furnace, prompt ship........... "		2.40	2.40	2.50
Foundry, prompt ship........... "		3.50	3.50	3.50
Aluminum, pig (ton lots).......lb		22.90	22.90	23.30
Antimony, ordinary............. "		7	7	6¾
Copper, Electrolytic........... "	−¼	8¼	8½	11½
Zinc, N. Y..................... "	+5	4.30	4.25	4.40
Lead, N. Y..................... "		4.40	4.40	5.20
Tin, N. Y...................... "	+¾	26.00	25.25	29.25
Tinplate, Pittsburgh, 100-lb box..		5.00	5.00	5.25
ADVANCES 4; DECLINES 2.				

MISCELLANEOUS

	Ch'ge	This Week	Last Week	Last Year
COAL: f.o.b. Mines............ton				
Bituminous:				
Navy Standard.................. "		2.15	2.15	2.10
High Volatile, Steam........... "		1.25	1.25	1.25
Anthracite, Company:				
Stove .... "	+.20	7.60	7.40	8.85
Egg .... "	+.20	7.35	7.15	8.25
Nut .... "	−.05	7.35	7.40	8.35
Pea .... "	+.20	5.35	5.15	4.55
DYESTUFFS—Bi-chromate				
Potash, am......................lb		8¾	8¾	9
Cochineal, silver.............. "		52	52	60
Cutch, Rangoon................. "		10½	10½	13½
Gambier, Plantation............ "		7¾	7¾	7¾
Indigo, Madras................. "		1.25	1.25	1.25
Prussiate potash, yellow....... "		18½	18½	18⅛
FERTILIZERS:				
Bones, ground steamed, 1¼, am., 60% bone phosphate, Chicago.ton		25.00	25.00	28.50
Muriate potash 80%............ "		37.15	37.15	37.15
Nitrate soda...............100 lb		2.05	2.05	2.07
Sulphate ammonia, domestic, delivered .... " "		1.60	1.60	1.85
Sulphate potash bs. 90%......ton		48.25	48.25	48.25
OILS: Cocoanut, Spot, N. Y.......lb	−¼	4¼	4½	6¼
China Wood, bbls., spot........ "	+¼	7¼	7	9½
Cod, Newfoundland..............gal		45	45	60
Corn, crude, Mill...............lb		6¼	6¼	7
Cottonseed, spot............... "	+5	6.90	6.85	7.90
Lard, extra, Winter st......... "		8¾	8¾	11
Linseed, city raw, carlots..... "	+.3	9.2	8.9	14.0
Neatsfoot, pure................ "		10¼	10¼	13
Rosin, first run...............gal		52	52	61
Soya-Bean, tank, cars, M. W......lb		6.0	6.0	8½
Petroleum, Pa., cr., at well.....bbl		1.37	1.37	2.075
Kerosene, wagon, delivery......gal		17	17	15
Gas'e auto in gar., st. bbls..... "		13.3	13.3	14.3
Wax, ref. 125 m. p..............lb		3⅛	3⅛	3⅜
PAPER: Newsroll Contract........		57.00	57.00	62.00
Book, S. & S. C.................lb		5¼	5¼	6
Writing, tub-sized............. "		10	10	10
No. 1 Kraft.................... "		4¼	4¼	5¾
Sulphite, Domestic, bl.......100 "		2.25	2.25	3.00
Old Paper No. 1 Mix.,........ " "	+.05	.20	15	22
PLATINUM		38.00	38.00	52.00
RUBBER: Up-River, fine........lb		8½	8½	13¼
Plan, 1st Latex, crude......... "	−⅛	6⅞	7	12⅛
ADVANCES 7; DECLINES 3.				
TOTAL ADVANCES................		30	43	12
TOTAL DECLINES................		24	11	59

LONG STOCK PRICE DECLINE ENDS EARLY IN JUNE

Present Market Listessness Due to Uncertainty as to Future Trends

THE Economic Department of R. G. Dun & Co. has compiled an arithmetic average of fifty stocks to serve as a general guide to the course of stock prices. In the selection of stocks as wide diversification as possible was sought both on the basis of industries represented and of geographical location. Prime investment, semi-investment and speculative issues were included to impart to the average a broad significance.

These comon stocks were chosen for inclusion in the average:

Allied Chemical & Dye
Allis-Chalmers Mfg.
American Can
American Tel. & Tel.
American Tobacco
American Woolen
Atchison Topeka & S. F. Ry.
Borden Co.
Briggs Mfg.
Canadian Pacific Ry.
Congoleum-Nairn
Consolidated Gas
Cudahy Packing
Curtis Publishing
E. I. du Pont de Nemours
Eastman Kodak
General Electric
General Motors
International Cement
International Harvester
International Merc. Marine
International Nickel
International Paper & Power
Kennecott Copper
R. H. Macy & Co.
Montgomery Ward
National Biscuit
N. Y. Central R. R.
North American
Otis Elevator
Pennsylvania R. R.
Phil. & Reading C. & I.
Proctor & Gamble
Radio Corp.
Radio-Keith-Orpheum
Remington Rand
Simmons
Southern Pacific
Standard G. & E.
Standard Oil of Cal.
Standard Oil (N. J.)
Texas Corp.
Union Pacific R. R.
United Aircraft
U. S. Leather
U. S. Rubber
U. S. Steel
Western Union Tel.
Westinghouse Elec.
F. W. Woolworth

Spring Rise Culminates in February

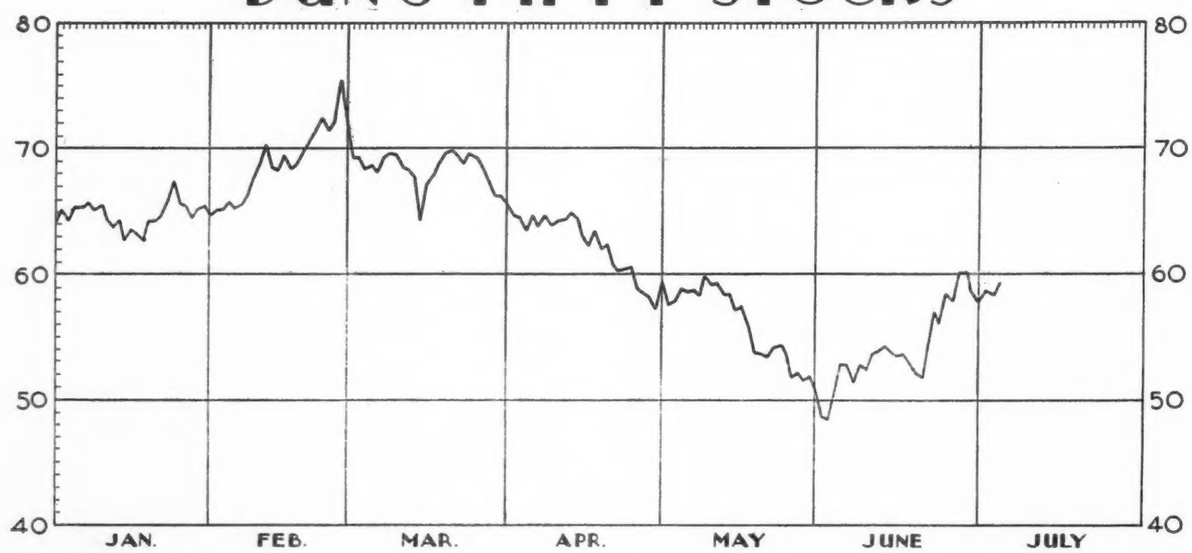
The Fifty Stock Average stood at 64.08 on January 2. From then until the end of the month fluctuations were relatively narrow. Early in February it became apparent that industry was making definite forward progress. Sentiment improved as a result and a brisk demand for common stocks appeared.

During the entire month of February stock prices rose and on the 23rd reached a peak, which, measured by the Fifty Stock Average was 72.30. In the last two weeks of February it became fairly obvious from the trend of steel and automobile production, freight car loadings and commodity prices that industrial earnings would probably not measure up to expectations. As a result of this general feeling prices turned downward.

Stock Market Waiting Upon Developments

The lack of a single motivating force to determine the direction of the trend is more apparent now than it has been for many months. Both buyers and sellers of stock are waiting for further tangible developments before allowing their estimates of future conditions to take concrete form.

DUN'S FIFTY STOCKS



BOND PRICES FIRM DURING FIRST SIX MONTHS

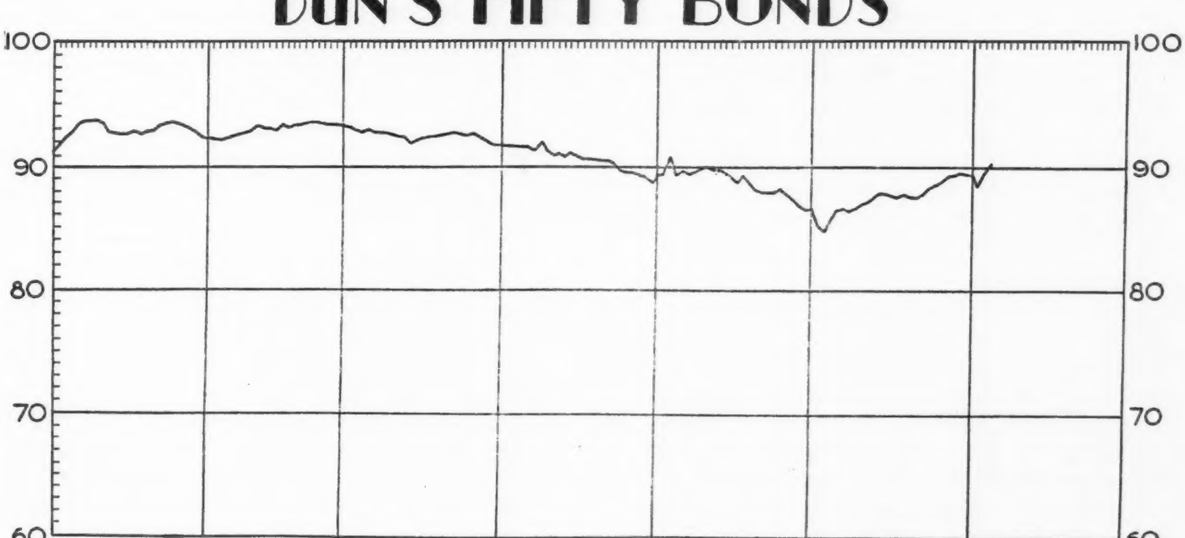
Price Recession of April and May Followed by Upward Trend During Month of June

AS a gauge of the broad movements of the bond market the Economic Department of R. G. Dun & Co. has constructed an average made up of fifty representative bonds. A simple arithmetic average was chosen and the method employed in selecting the bonds to be included was the same as that used in preparing the list of Fifty Stocks.

The individual bonds, the prices of which make up the Ffty Bond Average, are as follows:

Abraham & Strauss 5½'s, 1943
Allegheny Corp. 5's, 1944
Allis-Chalmers deb. 5's, 1937
A. I. G. Chemical deb. 5½'s, 1949
American Smelting & Refining 5's A, 1947
Armour (Ill.,) R. E. 1st 4½'s, 1939
Atchison general 4's, 1995
B. & O. cvt. 4½'s, 1960
Botnay Cons. Mills S.F. 6½'s, 1934
Brooklyn Union Gas 5's, 1945
Columbia G. & E. 5's, 1961
Consolidated Gas 5½'s, 1945
D. & H. 1st ref. 4's, 1943
Dodge Brothers deb. 6's, 1940
Duke-Price Power 6's A, 1966
Erie general lien 4's, 1996
General Baking 5½'s, 1940
General Theaters 6's, 1940
B. F. Goodrich deb. 6's, 1945
Inland Steel 4½'s B, 1981
International Cement deb. 5's, 1948
International Match deb. 5's, 1947
International Paper 6's A, 1955
International Telephone & Telegraph 4½'s 1939
K. C. Southern 4's, 1950
Laclede Gas 5½'s C, 1953
Lorillard deb. 5½'s, 1937
McCrory Stores deb. 5½'s, 1941
Missouri Pacific 4's, 1975
National Dairy, 4¼'s, 1948
N. M. Edison 6½'s A, 1941
New Haven 6's, 1948
N. M. Stern 1st 5's, 1951
North American 5's, 1961
Otis Steel 6's A, 1941
Paramount 5½'s, 1950
Pennsylvania 4's, 1965
Phila. Co. 5's A, 1967
Phil. & Read. C. & I. 6's, 1949
Remington Arms 6's A, 1937
Remington Rand 5½'s A, 1947
Republic Iron & Steel 5's, 1940
St. Louis, S.F. 4½'s A, 1978
Shell Union deb. 5's, 1947
Southern Pacific 4½'s, 1981
Texas Corp. deb. 5's, 1944
Utilities Power & Light deb. 5's, 1959
Western Union 5's, 1960
Western Electric 5's, 1944
Youngstown Sheet 5's A, 1978

According to the Fifty Bond Average bond prices reached their high of the year on January 10. On this date the average was 93.59. Since the low of 84.49, was reached on June 2 the trend has been upward.



CURRENT STATUS OF HARDWARE TRADE ENCOURAGING

Favorable Factors Improve Sentiment in Leading Hardware Markets— Sales Continue Below Last Year's Level

New Haven Factories on Short Time

Sales of staple hardware are approximately 10 per cent. less at this time than they were a year ago. The opinion prevails that prices of hardware have reached low levels, and if any change in prices occurs the trend will be upward. Short working hours rule in practically all factories. While collections are slow, there is a slight improvement over the situation a month ago.

General Sales Low at Rochester

Hardware trade in Rochester is quiet, and general conditions are not bright. Retail buying is limited, and price reductions made at the first of the year seem to have been no inducement. The prices remain about same, but quality has been cut, and possibly some advances will be made the last quarter of the year. The building business locally, while showing some improvement the past few months, is not much of a stimulus to the wholesale hardware trade.

Country Demand Leads at St. Louis

Jobbers and distributors in this district report volume for the first six months about 25 per cent. less than that for the same period of 1930. There has been some stimulation in country business, due to improved conditions in agricultural areas. Prices since the first of the year show declines of 10 to 20 per cent. on some items, while others hold firm. Favorable factors are that dealers' stocks are low, and conditions in rural districts are better than they were a year ago at this time.

Baltimore Sales Drop 20 Per Cent.

The sales volume for the first half of 1931 is off about 20 per cent. when compared with the figures for the corresponding 1930 period. The turnover in the building hardware division reflects the contraction of construction operations. Incoming orders from shipyards have stimulated the movement of marine hardware. Agricultural hardware is moving sluggishly.

Mill and factory shipments are prompt, but local wholesale distributors are carrying only about 75 per cent. of normal stocks for this season of the year, and retailers are disinclined to make forward commitments for any sizeable amounts. Prices have shown a weakening tendency since early in 1930, although there have been no radical declines. Collections show improvement and present returns are generally classed as fair.

June Sales Gain at Atlanta

Manufacturers and wholesalers reported that the trade volume, which in terms of money has gained from 10 to 12 per cent. for June, 1931, over that of June, 1930, still compares unfavorably with the record for the same month of 1929. The estimated decline of wholesale prices is 10 to 15 per cent. and of manufacturers 5 to 10 per cent., compared with the showing for the same period of last year.

Outlook Encouraging at Cincinnati

Outlook in the hardware trade for the ensuing six months presents many encouraging features. There has been an increased demand for supplies in practically all departments. Current orders comprise seasonal items, principally window screens, electric fans, garden tools, hose, lawn mowers and vacation equipment. Cautious buying policies have prevented excessive carryover of Winter stocks.

Stocks Low at Kansas City

Sales reported by leading hardware distributors are substantially less for the first six months of the year than they were for the comparative months of 1930. This line does not show any difference in movements than other primary lines, and a slightly lower-price level should be taken into consideration. Percentage of accounts receivable to sales latterly shows a better ratio than sales comparisons. Collections for the past several months are reported as a little slower. Stocks are at conservative levels.

Denver Prices 10 Per Cent. Lower

Sales of hardware for the first six months of 1931 compare favorably with those for the same period a year ago; volume shows a slight decrease. June made a slight increase over the total of June, 1930. Prices are about 10 per cent. lower than they were a year ago, and in some quarters advances are anticipated in certain lines. Collections still are slow, but are showing an improvement, where forceful methods are employed.

Seattle Volume Below 1930 Figures

The hardware trade continues to show an average dollar volume considerably below that of a year ago. Stocks carried are considerably lower than at this time a year ago. The general level of prices also is much under that of a year ago. In retail selling, the best volume is being built on price appeal. Reduction of overhead appears to be general. A tightening in the extension of credit and more pressure upon collections is in evidence.

Analysis of Fixed Trust Portfolios

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an investment preferred stock is primarily an income security and is not ordinarily subject either to extra disbursements or to marked enhancement in value. The entire 11 utility preferred stocks are held by one trust which has a heavy investment in the industry, while the single industrial preferred stock is one with a participating feature.

Chemicals and Electrical Equipments Lead

It was found that U. S. Steel was owned by more fixed trusts than any other industrial common stock and that General Electric and du Pont de Nemours shared second place. In arriving at the percentages shown in this table of the fifteen most popular industrials, the number of trusts with investments in the group, 77, was taken as 100 per cent. This gives a more significant comparison than could be obtained by using the totals of all the trusts included in the survey, many of which have no industrial investments.

Stock	Number of Trusts Owning	Percentage of Trusts Owning
U. S. Steel	56	72.8
General Electric	55	71.4
du Pont	55	71.4
National Biscuit	53	68.9
Westinghouse Electric	53	68.9
American Tobacco "B"	49	63.7
International Harvester	49	63.7
Eastman Kodak	45	58.4
F. W. Woolworth	43	55.9
Union Carbide & Carbon	43	54.6
Otis Elevator	42	54.6
American Can	39	50.7
Borden	38	49.4
Allied Chemical & Dye	37	48.1
American Smelting & Refining	27	35.1

The table shows that fixed trusts regard the outlook for the chemical industry as more promising than any other. Although U. S. Steel is the most popular stock, it is only representative of its industry, whereas three prominent members of the chemical group, Allied Chemical & Dye, du Pont de Nemours and Union Carbide & Carbon are held by a sufficient number of trusts to be included in the list of fifteen.

Two other important divisions are the electrical equipment companies and the food companies. In the former are General Electric and in the latter, National Biscuit and Borden. Since the two electrical equipment companies together are held by a greater number of trusts than the two food companies, the electrical equipment industry may be considered second in popularity to the chemical industry, while the food industry is assigned third place.

Telephone and Consolidated Gas Popular

A total of 69 trusts was found to have investments in the public utility industry. The ten stocks which appear most frequently in their portfolios are:

Stock	Number of Trusts Owning	Percentage of Trusts Owning
American Tel. & Tel.	59	85.6
Consolidated Gas (N. Y.)	54	78.2
United Gas Improvement	45	65.3
North American	38	55.0
Columbia Gas & Electric	34	49.3
Pacific Gas & Electric	32	46.3
American Power & Light	25	36.2
Detroit Edison	20	29.0
Electric Bond & Share	20	29.0
Western Union	19	27.6

The fact that American Telephone and Consolidated Gas are each held by a higher percentage of trusts than the two leading industrials and that the stocks which are at the end of the utility list are held by far fewer trusts than those in comparable position in the industrial series is an interesting phenomenon. The connotation is that whereas there are eight or ten industrial stocks which are regarded as about equally desirable, there is general unanimity in regard to only two or three utilities. This is also true of the rail and oil groups.

N. Y. Central and Pennsylvania Widely Owned

Railroad stocks were owned by 61 trusts. It is significant that this number is considerably less than that of the trusts owning industrials and utilities. In this table the ten most popular rail stocks are shown in the order of their occurrence:

Stock	Number of Trusts Owning	Percentage of Trusts Owning
New York Central	55	90.1
Pennsylvania	51	83.6
Atchison	50	82.0
Union Pacific	46	75.5
Southern Pacific	37	60.6
Illinois Central	28	45.9
Canadian Pacific	18	29.4
Northern Pacific	15	24.6
Atlantic Coast Line	13	21.3
Chesapeake & Ohio	12	19.6

N. Y. Central, Pennsylvania, Atchison and Union Pacific were the choice of a large majority, while the other six of the ten leading stocks were carried in noticeably fewer portfolios.

Three Oils Appear in Many Portfolios

There were 8 trusts in the number chosen for study which invested only oil stocks. In addition the majority of the general trusts placed a portion of their funds in oil stocks with the result that the number investing in the group was 72 and was second only to the number with industrial investments. Standard Oil Co. (New Jersey), owned by 65 trusts, or 91 per cent. of the total, headed this division. It was followed by Standard Oil of California in 72 per cent. of the portfolios and by Texas Corporation, held by 60 per cent. of the trusts.

Leading New York Banks Well Represented

Bank stocks were the only investment of 11 trusts. There were, in addition, 6 trusts of the general type owning some bank stocks, which brought the total of trusts holding this type of security to 17.

Chase National appeared in the greatest number of portfolios being held by 14 trusts, or 82 per cent. of the total. Bankers Trust and National City Co. and Irving Trust by 58 per cent. each. The other leading New York bank stocks in the order of their occurrence were: New York Trust, Chemical National, Central Hanover and Corn Exchange, all 53 per cent., Bank of America and Chatham Phenix, 47 per cent., Brooklyn Trust, 35 per cent. and First National, 29 per cent.

Stock-Owning Insurance Companies Chosen

There were only 3 trusts specializing in insurance stocks, but 5 of the general trusts had some holdings in the group, making a total of 8 trusts with insurance investments. The Insurance Company of North America was held by 75 per cent. of these trusts, Hartford Fire, Continental Insurance and Home Insurance, owned by 63 per cent. each, were second in popularity.

The investment in insurance stocks is broader than appears on the surface since these companies keep their funds invested in the stocks and bonds of leading American industrials, utility and railroad corporations and in bank stocks.

Old and New Trusts Select Different Industrials

Of the 64 general trusts 18 were formed prior to January 1, 1930, and 45 were formed after that date. It is instructive to compare the investment preference of the two groups as indicated by lists of the 17 stocks which appear most frequently in their portfolios.

Industrial Stock Holdings of

Older Trusts			Newer Trusts		
Stock	No.	Per Cent.	*Stock*	No.	Per Cent.
U. S. Steel..........	17	94.4	U. S. Steel..........	38	84.4
National Biscuit	15	83.2	du Pont	38	84.4
Westinghouse Elec...	15	83.2	General Electric.....	37	82.2
F. W. Woolworth....	14	77.7	National Biscuit	37	82.2
du Pont	14	77.7	Int'l Harvester......	36	80.0
General Electric.....	14	77.7	Union Carbide	35	77.7
Amer. Tobacco "B"..	14	77.7	Westinghouse Elec...	35	77.7
Otis Elevator	13	72.2	Amer. Tobacco "B"..	35	77.7
Int'l Harvester......	12	66.6	Eastman Kodak	33	73.2
American Can	11	61.1	Borden	32	71.1
Eastman Kodak	11	61.1	Allied Chemical	29	64.3
American Radiator...	10	55.5	Otis Elevator	29	64.3
Sears Roebuck	9	50.0	American Can	28	62.2
Kennecott	9	50.0	F. W. Woolworth....	28	62.2
Ingersoll Rand	8	43.5	Proctor & Gamble....	21	46.7
United Fruit	8	43.5	American Smelting...	18	40.0
American Smelting..	8	43.5	American Radiator...	13	28.8

A greater number of the older trusts held U. S. Steel than any other stock, but among the newer trusts du Pont was equally as popular. Both the older and the newer trusts invested quite generally in Westinghouse, National Biscuit and General Electric. American Can and American Smelting were held by approximately the same percentage of both groups and American Tobacco "B" was owned by exactly the same proportion of each list.

Some of the other issues appear to have lost and some to have gained in favor. F. W. Woolworth, which was owned by 77.7 per cent. of the older trusts appeared in the portfolios of 62.2 per cent. of the newer trusts. The position of Westinghouse on the older list was 83.2 per cent. and on the later list it was 77.7 per cent. The percentage of trusts holding Otis Elevator declined from 72.2 to 64.3 per cent.

Utility List Changes Radically

Changes such as those which characterize the list of industrial stocks held by the old and new trusts appear in greater number in the utility list. Twelve stocks were chosen for this comparison because of the factor, previously mentioned, of sharply diminishing popularity of stocks in all except the industrial and bank groups.

Utility Stock Holdings of

Older Trusts			Newer Trusts		
Stock	No.	Per Cent.	*Stock*	No.	Per Cent.
American Tel. & Tel..	17	94.4	Consolidated Gas ...	38	84.4
Consolidated Gas	13	72.2	American Tel. & Tel..	37	82.2
Pacific Gas & Elec...	10	55.5	United Gas Imp.....	34	75.4
Detroit Edison	8	43.5	North American	26	57.8
Southern Cal. Edison	8	43.5	Columbia Gas & Elec.	25	55.5
Western Union	7	38.9	American Pwr. & Lgt.	17	38.8
United Gas Imp.....	7	38.9	Pacific Gas & Elec...	17	38.8
International Tel. ..	7	38.9	Western Union	11	24.5
Standard Gas & Elec.	6	33.3	P. S. Corp. of N. J...	9	20.0
North American	6	33.3	Detroit Edison	8	17.8
P. S. Corp. of N. J...	5	27.8	Southern Cal. Edison	7	15.5
Columbia Gas & Elec.	4	22.2	International Tel. ..	6	13.3

It is interesting to note that Consolidated Gas supplanted American Telephone & Telegraph as first choice among the more recently formed trusts. With the exception of these stocks, which were the two most popular with both the older and newer trusts, the order of the two lists is altogether different.

Stocks which lost a large degree of popularity were Pacific Gas & Electric, Public Service Corporation of New Jersey, Detroit Edison and Southern California Edison. The percentage of trusts holding Western Union and International Telephone & Telegraph also declined sharply.

Some of the stocks held by a comparatively few of the older trusts, however, came into marked favor among those formed in the later period. Columbia Gas & Electric was held by a far higher percentage of new trusts than of old ones. The same was true of North American and United Gas Improvement.

Atchison Leads Among Newer Trusts

Ten railroad stocks were chosen as adequate to bring out the points already shown for the industrials and the utilities. This number is comparable to those used in the two previous cases because the concentration of investment is in a few stocks and when these have been enumerated it is found that the percentages drop very rapidly.

Railroad Stock Holdings of

Older Trusts			Newer Trusts		
Stock	No.	Per Cent.	*Stock*	No.	Per Cent.
New York Central...	15	82.2	Atchison	38	84.4
Pennsylvania	15	83.2	New York Central...	37	82.2
Illinois Central......	14	77.7	Pennsylvania	33	73.2
Union Pacific.	13	72.2	Union Pacific	31	68.9
Southern Pacific.. ..	11	61.1	Southern Pacific	20	44.4
Southern Railway ...	11	61.1	Chesapeake & Ohio..	5	11.1
Northern Pacific.....	10	55.5	Illinois Central	12	26.7
Atchison	10	55.5	Canadian Pacific	10	22.2
Canadian Pacific	7	38.9	Atlantic Coast Line..	8	17.8
Baltimore & Ohio....	5	27.8	Louisville & Nash...	5	11.1

The increase in the proportion of trusts including Atchison, Topeka & Santa Fe in their portfolios is perhaps the most striking feature of the two railroad stock lists. However, the fact that the percentage, as well as the actual number, of new trusts owning Illinois Central was less than among the older trusts, is also a development of interest.

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More Favorable Trend in Insolvencies

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Liabilities Less in Some Divisions

As to the liabilities in the half year of 1931, one very large failure during the first three months, more than accounts for the heavy gain shown for the New England States. Except for this single very large default, the increase this year over 1930 shown for the total as a whole, would be only a nominal sum. As it is, there was a large reduction in the amount of indebtedness reported for the three Middle Atlantic States. In the main, this decrease was due to the much smaller total reported this year in the brokerage division. In 1930 a number of insolvencies were reported in the brokerage class, caused by the collapse in the stock market, and liabilities in this division were greatly swollen in consequence. Much of the reduction in the indebtedness for the Middle Atlantic division this year was the result of this changed situation.

Heavy Indebtedness in the Middle West

On the other hand a very large increase in liabilities this year was shown for the five Central Western States. This in part was caused by some large failures in Ohio and Illinois. The three Pacific Coast States also show much larger liabilities this year, and there was some increase in the Southern Central division. For the South Atlantic States, however, liabilities this year were less than they were a year ago, and the same is true as to the indebtedness reported for the Central Western division.

Banking Defaults Are More Numerous

Insolvencies in the banking division have again been quite heavy this year. The number has been considerably larger than in the first six months of 1930 and the amount involved has been very much larger than it was a year ago. In part, the difficulty in financial circles which culminated in many banking suspensions during the closing months of 1930 was responsible for the defaults during the early months of this year. A continuation of the disturbing factors as the year advanced led to a new batch of banking suspensions during the last two months.

The Increase in the West

Banking failures for this year to date numbered 493 with total liabilities of $304,968,610. During the corresponding period of 1930 there were 258 similar defaults owing $133,291,476. The West contributed much the largest number to this unfavorable showing this year, the twelve States embraced in the two Western divisions, including Ohio on the East, to Nebraska and Kansas on the West, accounting for more than 80 per cent. of the total of all banking failures for this year to date, and more than 40 per cent. of the total liabilities. There were quite a number of suspensions of small banks in Illinois, especially in the past two months.

Some Increase in the South

The Southern States also contributed a considerable number of banking failures to the total this year, and the liabilities were quite heavy, though less than they were a year ago. For the Middle Atlantic division 33 banking defaults occurred for $40,350,000 of indebtedness. Quite a number of small country banks failed in Pennsylvania and there were several in New Jersey and in New York States. For the three Pacific Coast States a few bank defaults were reported, with quite an amount of liabilities, while there were still fewer for the Western or Mountain division.

In the following table banking failures for the half year this year are compared by geographical divisions:

Section	Number 1931	Number 1930	Liabilities 1931	Liabilities 1930
New England	1	1	$2,600,000	$1,800,000
Middle Atlantic	33	2	40,350,600	353,000
South Atlantic	67	58	31,270,400	50,566,400
South Central	78	37	33,183,886	20,086,498
Central East	148	55	136,987,515	26,400,406
Central West	147	94	38,397,783	29,667,172
Western	5	10	1,299,000	4,378,000
Pacific	14	1	20,879,426	40,000
United States	493	258	$304,968,610	$133,291,476

FAILURES IN CANADA NOT SO NUMEROUS

An Improvement for Nearly All of the Larger Provinces

THERE has been an improvement in the record of commercial failures in Canada for the second quarter of this year, not only as compared with the first three months of 1931, but with the corresponding period of 1930. Canadian defaults in business lines for the three months ending with June this year, numbered 492, with liabilities of $7,535,488. In the same three months a year ago 582 similar defaults occurred involving $10,280,227, while in the first quarter of 1931 there were 746 business failures in the Dominion for $17,086,296 of indebtedness.

The improvement this year, as compared with a year ago, applies to all three divisions into which the figures are separated. There were 117 defaults in manufacturing lines during the second quarter of 1931 in Canada, involving $3,194,739; trading failures numbered 321 for $3,069,633 and those in the third class, agents and brokers, numbered 54, owing $1,271,116. At the same time in 1930 there were 138 manufacturing defaults for $3,466,912; 387 trading failures owing $3,978,249 and 57 of agents and brokers, owing $1,271,116.

Failures in Different Provinces

Separating this year's figures by Provinces the improvement that appears for some of them is very marked. The Provinces of Ontario and Quebec naturally report the largest number of business failures. These two divisions together show something over 60 per cent. of all insolvencies for the Dominion, while the total liabilities amount to two-thirds of the entire defaulted indebtedness of Canada. Substantial reductions are shown for the second quarter of this year as compared with a year ago, for both Ontario and Quebec. For the Province of Manitoba a noteworthy improvement also appears and this is true for Alberta and for British Columbia. On the other hand, Saskatchewan shows an increase over last year, both in the number of failures and for liabilities.

Included with the Canadian figures are the separate Provinces of New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island. While defaults for these divisions are not heavy, amounts being rather reduced, in the aggregate the total is for a considerable sum. In all four of these Provinces, the number of business failures for the second quarter of this year is larger than it was a year ago, while for several of them the liabilities also show an increase.

CANADIAN FAILURES, SECOND QUARTER, 1931

PROVINCE	TOTAL COMMERCIAL, 1931			1930		CLASSIFIED FAILURES, 1931 — MANUF'C'T'G		TRADING		OTHER COM'L		BANKING	
	No.	Assets	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities	No.	Liabilities
Ontario	119	$1,610,960	$2,046,996	162	$2,279,203	29	$659,527	78	$1,160,840	12	$226,629	..	....
Quebec	180	2,483,650	2,928,674	220	4,967,356	54	1,570,046	99	846,095	27	512,533	..	....
British Columbia	37	520,779	925,920	45	1,485,546	12	584,432	25	241,488	..	....	..	....
Nova Scotia	16	76,989	283,063	8	63,620	2	65,760	11	139,603	3	77,700	..	....
Newfoundland	5	8,452	31,249	2	16,500	1	5,900	4	25,349	..	....	..	....
Manitoba	44	359,404	514,008	63	671,821	10	164,152	29	278,655	5	71,201	..	....
New Brunswick	14	53,585	83,793	6	66,595	1	7,113	12	69,084	1	7,596	..	....
Prince Edward Island	2	2,205	7,660	1	19,313	..	.....	1	4,394	1	3,266	..	....
Alberta	22	93,028	116,627	26	273,027	5	22,720	14	88,907	3	5,000	..	....
Saskatchewan	53	220,127	597,498	49	437,246	3	15,089	48	215,218	2	367,191	..	....
Total 1931	492	$5,429,179	$7,535,488	582	$10,280,227	117	$3,194,739	321	$3,069,633	54	$1,271,116	..	....
" 1930	582	7,996,578	10,280,227	...	....	138	3,466,912	387	3,978,249	57	2,835,066	..	....
" 1929	475	6,629,627	10,223,340	...	....	150	4,949,197	300	3,317,259	25	1,956,884	..	....
" 1928	438	7,293,315	9,285,999	...	....	110	4,313,004	294	4,252,496	34	720,499	..	....
" 1927	484	8,074,939	11,795,107	...	....	126	7,973,481	326	3,383,822	32	437,804	..	....
" 1926	497	7,097,000	8,085,720	...	....	108	3,741,604	351	4,088,216	38	255,900	..	....
" 1925	549	8,471,924	12,143,313	...	....	134	6,753,300	392	4,673,816	23	716,197	..	....

COMMODITY PRICE INDEX SLIGHTLY HIGHER

The First Advance with One Exception in More Than Eighteen Months

THERE was some improvement in commodity prices during June. This was especially true in the last week of the month. As a result Dun's Commodity Price Index was slightly higher on July 1, this year than it was a month earlier. The July 1 index was $146.591, and compared with $145.885 on June 1. On July 1, 1930 the index was $171.598. The advance to July 1 this year over the preceding month was only a fraction of 1 per cent. The decline from a year ago, however, continues very heavy, amounting to no less than 14.6 per cent.

Excepting for a slight advance during August, 1930, amounting to only a fraction of 1 per cent., Dun's Commodity Price Index has shown a constant recession each month to June this year for more than a year and one-half, or since October 1, 1929. It was about that time that the advance in commodity prices, or the steadiness shown in the higher lever then attained, culminated and the decline began. It has continued almost without interruption since that date. On October 1, 1929, Dun's Commodity Price Index was $192.204. The decline to June 1, this year, the low point in the intervening period, has been equivalent to $46.349 or 24.1 per cent.

Breadstuffs on July 1 this year were higher than on June 1, mainly because of the higher price for wheat. There was a fractional decline in meats during the month, but dairy and garden products were slightly higher. Other food products are a trifle lower. The clothing class shows an advance during the past month, mainly because of the higher price of cotton and some cotton goods, while metals show another slight decline for June. For the miscellaneous division, largely building materials, there was a fractional advance last month.

Monthly comparisons of Dun's Index Number of wholesale commodity prices, follow:

	Breadstuffs.	Meat.	Dairy & Garden.	Other Food.	Clothing.	Metals.	Miscellaneous.	Total.
	$	$	$	$	$	$	$	$
1929, Jan. 1..	32.673	24.620	21.690	19.596	35.658	21.348	36.780	192.365
Feb. 1..	34.899	24.697	22.059	19.497	35.138	21.303	36.572	194.165
Mar. 1..	34.589	24.420	22.354	19.450	35.137	21.558	36.739	194.247
Apr. 1..	33.663	24.057	20.940	19.376	35.066	21.708	36.786	191.596
May 1..	32.227	23.503	21.208	19.277	34.684	21.308	36.829	189.036
June 1..	29.671	23.236	21.145	19.227	34.500	21.297	36.780	185.856
July 1..	32.398	23.591	21.058	19.110	34.578	21.314	36.640	188.689
Aug. 1..	35.153	24.144	21.646	18.885	34.533	21.291	36.554	192.206
Sept. 1..	33.743	24.816	21.838	19.117	34.799	21.090	36.601	192.004
Oct. 1..	33.333	24.901	22.729	18.987	34.841	21.036	36.377	192.204
Nov. 1..	34.678	23.110	22.657	18.690	34.568	21.148	36.328	191.179
Dec. 1..	34.292	22.777	22.141	18.556	33.959	20.997	36.247	188.969
1930, Jan. 1..	33.801	22.622	21.618	18.238	33.297	20.943	35.994	186.513
Feb. 1..	32.608	22.873	21.136	18.447	32.760	20.796	35.806	184.426
Mar. 1..	32.297	22.180	20.085	18.202	32.015	20.558	35.602	180.939
Apr. 1..	31.719	22.036	19.836	18.184	31.668	20.430	35.421	179.294
May 1..	30.484	22.084	19.959	18.107	31.447	20.286	35.369	177.736
June 1..	30.546	21.243	19.983	17.944	31.265	20.006	35.253	176.240
July 1..	28.345	20.070	19.692	17.998	30.657	19.925	34.911	171.598
Aug. 1..	29.771	17.999	19.551	17.890	29.795	19.846	34.500	169.352
Sept. 1..	31.946	18.874	19.633	17.668	28.807	20.001	33.995	170.924
Oct. 1..	28.984	18.984	20.190	17.724	28.487	20.072	33.768	168.209
Nov. 1..	27.349	18.634	20.223	17.890	28.109	19.659	33.324	165.188
Dec. 1..	27.026	19.057	18.978	17.688	27.703	19.571	32.997	163.020
1931, Jan. 1..	25.368	19.841	18.071	17.378	27.019	19.351	32.691	159.719
Feb. 1..	25.244	17.670	16.949	17.554	26.702	19.348	32.572	156.039
Mar. 1..	24.501	16.749	16.884	17.342	26.498	19.322	32.250	153.546
Apr. 1..	24.306	16.196	16.878	17.321	26.465	19.374	31.985	152.525
May 1..	23.521	15.673	15.893	17.379	26.168	18.919	31.866	149.419
June 1..	22.816	14.841	15.687	16.616	25.507	18.965	31.453	145.885
July 1..	23.105	14.836	15.692	16.610	25.934	18.955	31.459	146.591

Survey of Industry—Second Quarter, 1931

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conform to lower price levels. Further confirmation of this is seen in the recent figures. The control of this account has been a difficult one for the average industrial concern because of the long decline in prices and because of the relatively light demand. However, there is every indication at present that liquidation and revaluation have been carried out conscientiously in the majority of industries, which are thereby placed in a position to benefit materially from a sustained recovery in activity.

Salaries and Wages Well Maintained

The averages in Chart I reveal that salaries in general are 11.7 per cent. lower than at this time last year and that wages have been reduced by approximately 7.6 per cent. Many of the reports on this subject revealed that both wage and salary scales were unchanged from a year ago.

In recent months so much has been heard of individual cases of wage and salary cuts that the conviction has grown that for industry as a whole both were on a substantially lower basis than they were at this time in 1930. The average of all concerns reporting for this survey, showing salaries of office workers 11.7 per cent. lower than they were a year ago and wages of other than office workers 7.6 per cent. under 1930 would not tend to confirm this impression but would rather connote that during the past year payments to workers have been very well maintained.

Employment Continues Relatively Low

The employment average, obtained by considering Bureau of Labor figures in conjunction with reports of employment specialists for various lines, showed employment to be 17.6 per cent. below that of the second quarter of 1930. This is a better comparison than was shown during the first quarter of this year but is so largely because of a sharp drop in employment in the Spring months of 1930.

Light Borrowing Keeps Money Rates Low

The Federal Reserve Ratio at the close of the quarter was 104.5 per cent. of the ratio of the same time in 1930 and the average of money rates was 58.8 per cent. of the rates at this time last year. Both series indicate that there has been no change for the better in the tone of borrowing demand.

Rates on all classes of paper and deposits are at record low levels. The stimulus of active borrowing, which would be indicative of a return of funds to industry, has not yet appeared.

Commodity Price Decline Interrupted

The commodity price average in Chart I is based upon the present position of Dun's Index Number of Commodity Prices, the movement of which since 1919 is shown in Chart IV. The Index Number is extremely sensitive since it includes nearly 300 quotations and is calculated on a per capita consumption basis. The figure is an actual sum in dollars which represents the cost to a purchaser of an annual supply of goods in the wholesale markets on the specified dates.

Although present commodity prices are well below those of 1930 and 1929, the long decline was checked when the Index Number on July 1st showed the first gain in 21 months when it rose to $146.591, a gain of .706 cents over the June 1st figure. When prices began to fall in August, 1929, the Index Number stood at $192.206. In the following month it dropped to $192.004 and from then on a further loss was shown each month. On June 1st of this year the Index had reached $145.885, a level which corresponded to that of July, 1916.

Declining commodity prices retard industrial activity. Purchasers are unwilling to commit themselves if there is a possibility of a more favorable price later. Industrial concerns must revalue assets and stocks to low levels. These conditions are reversed when commodity prices are rising. The recent price firmness may not be a forerunner or immediately rising prices but the fact that the long decline was checked is generally regarded as a heartening development.

Failure Reports Show Extent of Deflation

Failures totalling 6,624 occurred during the second quarter of this year. This figure compares with totals of 6,403 and 5,685 for the corresponding periods of 1930 and 1929 respectively. The liabilities of the current quarter were $155,894,995, while those for the 1930 period were $167,731,532 and those for the second three months of 1929 were $107,860,328.

In the first quarter of this year the number of failures were 8,483 which was a record total for any three month period. The liabilities involved amounted to $214,602,374, a sum exceeded but few times in the past. It is normal for the failures of the first quarter to be higher than any other and consequently too much emphasis should not be placed upon the decline in number and liabilities from the first to the second quarter.

The point in this connection which merits attention is that whereas the first quarter failures were 15.1 per cent. above those of the first quarter of 1930, the second quarter total was only 3.5 per cent. above that of a year ago.

Each month since March has made a better comparison with last year's record and the cumulative effect of this movement was that the liability total for this quarter was 7.2 per cent. under that of the corresponding period of last year. In June a total of 1,993 failures occurred, involving liabilities of $51,655,648. In June of 1930 the number was 2,026 and the liabilities $63,130,762. The recent record indicates a decrease of 1.5 per cent. in number and

19 per cent. in liabilities from June, 1931. In the final week of June, 1931 5.1 per cent. fewer failures occurred than in the same week of 1930.

Through inflation and over expansion in all directions the business structure periodically becomes weakened. Readjustments are necessary to restore its strength and lay a firm foundation for a sustained recovery. When adjustments are occurring the total of commercial failures grows rapidly. Eventually the reports show fewer failures and lower liabilities in comparison with previous periods and when this point has been reached there is cause to believe a greater part of the necessary deflation has been accomplished. The latest failure reports suggest that the business cycle is now approaching this stage.

Sales of Essentials Decline Slightly

The comparisons in Chart II are of the sales of the industries the weighted averages of which were used in the average of industrial sales in Chart I.

The best comparisons with 1930 appeared in the sales of essential industries. The meat packing industry sold 3.7 per cent. more units in the second quarter of the current year than in the same period of 1930. Comparatively slight declines from a year ago were shown in sales of chain and department stores and in sales of food products, leather, tobacco and electrical equipment. The inference from this is that retail trade has experienced a smaller recession from last year than the majority of industries.

Heavy Equipment Sales Sharply Reduced

It is usually expected that in a long continued period of inactive trade the producers of heavy equipment will suffer most severely. Obviously this is due in part to the great durability of heavy products and the ease with which their replacement can be postponed. A contributing factor is probably the high unit cost of articles in this category.

The least favorable comparisons for the second quarter were made by the sales of motor accessories, rail equipment, motors, office equipment, machinery and construction, which supports the view that industries of the heavy type suffer more drastic curtailment when business is inactive than do those the products of which are dealt in at retail.

Industrial Activity Recedes Moderately

The Index of Industrial Activity shown in Chart V is intended rather as a general indication of the prevailing trend than a specific indication of the position of industry. It includes pig iron production, building contracts, bank clearings outside New York City and electric power and bituminous coal production. The twelve months of 1925 are taken as 100 per cent.

The Index stood at 63.9 per cent. for March, 1931. By June it had declined 6.8 per cent. to 57.1 per cent. For the six years from 1925 to and including 1930 the average seasonal recession for this portion of the year has amounted to 9.6 per cent.

According to these significant indicators the decline in activity was less than usually occurs in this period. This is an encouraging development since it would seem to mean that industry held its own very well during the second three months of this year.

Readjustments Strengthen Business Structure

The duration of various phases of the business cycle is by no means uniform. The time that elapses between the first evidences of deflation and the beginning of renewed expansion may be expected normally to be in rough proportion to the excesses of the inflation era which preceded. A theory based upon this expectation, however, is of too broad a nature to permit of its general application since any period may be prolonged indefinitely or terminated abruptly by unforeseen developments. A retarding influence of the first magnitude in its effect upon the present situation has resulted from the circumstance that business in most countries of the world has been unable to make satisfactory progress, and that many foreign governments and municipalities have suffered financial crises.

Between complete deflation and the beginning of industrial revival only a very fine dividing line exists. Its advent can be seen in the occurrence in the business news of an increasing number of favorable items but it will have been passed when the unfavorable news shall have ceased to be the most significant. The favorable developments which materialized during the second quarter of this year, were in excess of the number reported in other recent three month periods, and for this reason were extremely significant. Such occurrences as the prevailing activity in retail trade, the interruption of the decline in commodity prices and the increasingly more favorable commercial failure reports are gratifying in themselves and because they give some support to the belief that an era of increased industrial activity is being approached gradually.

In a period such as that from the beginning of 1930 to the present reconstructive forces are constantly in motion. The output of industry is brought slowly into proper alignment with existing demand. Prices reach a level where equilibrium between supply and demand is established. A subtle change takes place in the psychology of producers and consumers, of capital and labor, which takes into account the altered character of conditions. Plans for the future are predicated upon an understanding of the efficiency of equipment, of the scope of markets and of probable price levels. Though readjustments at times may be painful in the extreme, their continuance over a comparatively long period works to the strengthening of every fiber of the business structure.

BUSINESS NEWS OF PRINCIPAL INDUSTRIAL NATIONS

Substantial Decline Shown in German Exports

THE German correspondent of *The Economist* quotes the latest quarterly report of the Institut für Konjunkturforschung. The report states that world economic conditions are as devoid as those in Germany of any sign of improvement, but that the downward movement has, in general, slackened. On the other hand, the improved liquidity of the international money markets has so far had no influence on the capital markets.

In the opinion of the Konjunkturinstitut a change is coming about in the composition of European foreign trade. The crisis is now injuring more seriously the exchange of goods between industrial countries, whereas the decline of trade between manufacturing countries and raw material-producing countries seems to have somewhat slackened. German exports to extra-European countries declined in the first quarter of 1931 by 6.1 per cent. as compared with the last quarter of 1930, whereas those to European countries declined by 19.4 per cent.

French Textile Activity Below that of 1913

The Economist of June 20th presents a statistical review of French industry. Industrial production figures for the month of April show a further small decline, although not so much as had been expected. The general index figure covering the nine principal industries (except agriculture) is 131 (1913 = 100), or only a single point lower than in March, against means of 140 for 1930, 139 for 1929 and 127 for 1928.

The textile industry remains the only large trade in which production is below the 1913 volume, the figure for April being 81, or 19 per cent. lower than before the war. This will register a marked further recoil for May, owing to the general strike in the Roubaix area, which has now been proceeding for over a month.

Italian Traffic Lower but Passengers Gain

The current conditions of the Italian railways is discussed by *The Economist* which says that State railways yielded in the first four months of the present year 405,000,000 lire for passenger traffic, as against 468,000,000 in the corresponding months of 1930 and 714,000,000 lire for goods traffic as against 927,000,000. Passengers carried in April were 7,600,000 against 9,300,000 in April, 1930. Goods maritime traffic is also decreasing. Passengers, however, increased; 355,300 were landed against 344,900 in April, 1930, and 353,300 sailed against 336,000 in April, 1930. This is important, as foreign visitors were always a most important credit item in Italy's international balance of payments.

Swedish Timber Output Somewhat Reduced

In referring to Swedish industry *The Economist* mentions that *Svensk Finanstidning's* index number of production for March remained practically at the same level as that for February. It fell only from 123 to 122 (1923-24 = 100). It is true that the normal for this time of the year is a slight increase, but the decline is almost entirely due to reduction of output in the timber industry, where the extent of the restriction of output is to be explained primarily by the exceptional circumstances created by Russian competition. But for this special burden, therefore, the index number for March might have shown an entirely normal movement. A comparison of developments during the first quarter of this year and last year is, however, less encouraging.

The progressive deepening of the depression appears very clearly in the statistics of foreign trade. Imports were maintained at a relatively high level in March, but exports shrank still further. Comparison with last year is, it is true, not altogether fair, because ice conditions then permitted shipments considerably earlier than this year; but, nevertheless, the decline in almost all important export commodities is very marked.

African Coppers Respond to Price Firmness

In a recent issue *The Statist* comments that the improvement in the price of copper has helped Northern Rhodesian shares, and says that they have been marked up rather from sympathy than as a consequence of business done. The article continues with *The Statist's* estimate of the price situation by saying that the prospects for copper are said by insiders to be uncertain for some time and the price is just as likely to touch £30 as £50. In concluding, the statement is made that everything depends upon an improvement in industry throughout the world, and this hinges on so many factors that the expression of any definite opinion is impossible.

Internal Economies Improve Australian Finances

An interesting report on Australian finances is furnished by *The Statist* which states that Australian bondholders are not, after all, to be forced to accept a lower rate of interest. The Premiers' Conference decided this week that conversion should be voluntary, and that a great campaign of persuasion should be started immediately throughout the country.

Through smaller interest payments on the internal debt, and through the economies in expenditure and the extra taxation to be imposed, it is believed that the deficit in the next financial year will be £18,000,000. The deficit is a little more than half what it would have been if no steps to modify the situation had been taken.

International Trade Directory

The following manufacturers and export merchants offer their products to importers and invite correspondence from readers of DUN'S REVIEW.
Please mention DUN'S REVIEW when writing to these concerns.

ASBESTOS AND CEMENT SHEETS
H. Visser,
29 P. C. Hooftstraat,
Amsterdam (Holland).

ASBESTOS CEMENT SHEETS
N. V. Martinit,
113 Cruquiusweg,
Amsterdam (Holland).

AUTOMOBILE MANUFACTURER
Ettore Bugatti,
Factory and Office,
Molsheim (Bas-Rhin), France.

BRINE AND PRESSED SARDINES
Joaquim Ferreira Pedro Luças,
Matozinhos (Portugal).

CHEESE IN BOXES (Swiss)
Alpa, S. A., Swiss Cheese Factory,
Lausanne (Switzerland).

CHOCOLATE (Mfrs.)
Chocolaterie Duc, S. A.,
12, rue du Printemps,
Anvers (Belgium).

CORK MFRS. AND EXPRS.
Cantinhos & Trindade Ltda.,
Silves and Lisbon (Portugal).

CORKS, CORKWOOD & SHAVINGS
Pintos, Calvinho & Cia., La.,
Silves (Portugal).

CORKWOOD, VIRGIN & SHAVINGS
Luz, Afonso & Douradinha, Ltda.,
Grandola (Portugal).

CRYSTALLINE MARBLES EXPRS.
Sociedade dos Marmores de Portugal,
Ltda., R. de S. Domingos de Bemfica,
63, Lisbon (Portugal).

FLY CATCHERS (Mfr. and Exp.)
S. A. des Etablissements Aeroxon,
76, Rue Léopold,
Malines (Belgium).

HOTELS IN PORTUGAL
Lisbon: Hotel de l'Europe.
Lisbon: Franckfort Hotel (Rocio).
Lisbon: Hotel Metropole.
Coimbra: Hotel Astoria.
Curia: Palace Hotel.
Bussaco: Palace Hotel.

ISSUE HOUSE AND BANKERS
Nationale Emissiebank, N. V. (National
Issue Bank, Ltd.), 198 Keizersgracht,
Amsterdam C. (Holland).

MARBLE EXPORTERS
Companhia Portugueza de Marmores e
Cantarias, Ltda., Rua Augusta, 176-2°,
Lisbon (Portugal).

MARBLES (Exportation)
Souza Baptista,
Praça do Municipio 32-2°,
Lisboa (Portugal).

MILKPOWDER, CONDENSED MILK
Leo de Winter & Co.,
770/772 Prinsengracht,
Amsterdam (Holland).

PAPER MANUFACTURERS
van Gelder Zonen,
230/234 Singel,
Amsterdam (Holland).

PRESERVED FISH (Oil and Fish Skin Exprs.)
Mantua Ltda., Calçada de S. Francisco,
29-37, Lisboa (Portugal).

SHAMOYED RUBBING & COMBING LEATHERS, BELTINGS & PICKING BANDS
Etablissements A. Valentin, S. A.,
Rue de Leers, Roubaix (Nord), France.

SPICES, COCOA PRODUCTS, TEA AND SEED MERCHANTS
Huying & Walrave's Handelmaaty, N. V.,
55, Heerengracht,
Amsterdam C. (Holland).

VELVET (for Upholstery) MFRS.
Etvelor, S. A.,
Deerlyk-lez-Courtrai (Belgium).

WOOLEN MERCHANTS
Exporting to and importing from all
countries, N. V. Chapon's Handels-
vereeniging, Amsterdam (Holland).

Bank Clearings are Still Reduced

BANK clearings this week cover the five business days up to Friday. The total at all leading cities in the United States, of $6,854,344,000 is 16.4 per cent. below that of last year. At New York City, clearings of $4,718,516,000 are 14.7 per cent. less, while the aggregate at centers outside of New York of $2,135,828,000 is 19.9 per cent. smaller.

For the past eighteen months, or since the collapse in security prices late in 1929, bank clearings have shown great irregularity. Naturally, bank clearings reflect the activity in the stock market. Such enormous payments on account of these transactions—on account of the shifting of loans incident to such trading, and for other dealings relating thereto, bank clearings are swollen very greatly.

Bank clearings for the week, as reported to R. G. Dun & Co., and average daily bank clearings for the year to date, are compared herewith:

	Five Days July 9, 1931	Five Days July 10, 1930	Per. Cent.	Five Days July 11, 1929
Boston	$335,000,000	$395,000,000	—15.2	$553,000,000
Philadelphia	371,000,000	458,000,000	—18.1	641,000,000
Baltimore	81,504,000	87,325,000	— 6.6	91,971,000
Pittsburgh	125,228,000	152,400,000	—18.0	198,365,000
Buffalo	36,120,000	40,952,000	—11.8	76,451,000
Chicago	343,374,000	526,727,000	—34.8	707,253,000
Detroit	103,549,000	128,009,000	—19.1	205,060,000
Cleveland	95,270,000	108,550,000	—12.2	159,736,000
Cincinnati	49,250,000	54,734,000	—10.0	78,431,000
St. Louis	81,300,000	106,100,000	—23.4	139,300,000
Kansas City	81,300,000	116,600,000	—30.2	167,200,000
Omaha	29,878,000	35,835,000	—16.6	53,818,000
Minneapolis	59,242,000	67,746,000	—12.6	102,827,000
Richmond	29,385,000	37,199,000	—21.0	43,141,000
Atlanta	33,789,000	35,317,000	— 4.3	59,704,000
Louisville	20,452,000	30,948,000	—33.9	40,687,000
New Orleans	36,746,000	36,948,000	— 0.5	53,877,000
Dallas	30,042,000	33,447,000	—10.2	52,225,000
San Francisco	137,500,000	151,400,000	— 9.2	212,300,000
Portland	25,899,000	29,923,000	—13.4	43,286,000
Seattle	30,000,000	34,694,000	—13.5	57,397,000
Total	$2,135,828,000	$2,667,854,000	—19.9	$3,737,029,000
New York	4,718,516,000	5,534,000,000	—14.7	9,573,000,000
Total All	$6,854,344,000	$8,201,854,000	—16.4	$13,310,029,000
Average daily:				
July to date	$1,583,926,000	$1,957,851,000	—20.0	$2,404,337,000
June	1,403,807,000	1,853,151,000	—24.2	1,958,098,000
May	1,410,616,000	1,725,622,000	—18.3	1,992,369,000
April	1,457,562,000	1,859,118,000	—21.6	1,926,145,000
First Quarter	1,404,600,000	1,799,904,000	—22.0	2,216,714,000

Insolvencies this Week Again Reduced

INSOLVENCIES are again reduced. The number this week in the United States, according to the records of R. G. Dun & Co., is 389. This is a short week, the first in July, and it is necessary to go back to the first week of September of last year, also a short week, to find a record below that now reported. This week's number compares with 413 last week, a reduction of 24; 422 the preceding week and 428 the corresponding week of last year.

The present week is the sixth consecutive week in which the number of business failures in the United States has been less than those reported in the same week of 1930.

SECTION	Five Days July 9, 1931 Over $5,000	Total	Week July 2, 1931 Over $5,000	Total	Week June 25, 1931 Over $5,000	Total	Week July 10, 1930 Over $5,000	Total
East	90	131	67	163	78	155	121	172
South	43	81	45	72	52	90	55	96
West	75	114	65	104	77	117	59	111
Pacific	19	63	43	74	33	60	18	49
U. S.	227	389	220	413	240	422	253	428
Canada	18	31	18	26	28	53	30	58

Analysis of Fixed Trust Portfolios

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Short-Term Trusts Chose Speculative Stocks

The great majority of the trusts included in the survey have based their selection of a portfolio upon the probable ultimate appreciation and dividend return to be expected from a representative group of established investment stocks which are to be held for a period of years. The earnings of many of these companies for the year 1930 were so far below those of immediately preceding years as to raise serious doubts as to the maintenance of their dividends.

As a result of these changes of status and the prolonged decline of security values fixed trust sponsors have adopted a heretofore new principle. It is the formation of a trust with short maturity, including in its portfolio many non-dividend payers with promising outlook and designed to take advantage of the next upswing in prices by liquidating in a period when prices may reasonably be expected to be higher than they are at present.

Six trusts of this character were formed between September, 1930, and March, 1931, and they were frankly offered to the public on their speculative possibilities. Four of the trusts terminate in five years, one in three years and one in two years.

General Motors is owned by 5 of these trusts. Three trusts hold United Aircraft & Transport, P. Lorillard, Loews, Inc., and Radio. Other stocks owned by them which appear infrequently in the investment type portfolios are: Anaconda, Paramount Publix, Standard Brands, International Nickel and Republic Steel.

Elimination Provisions Important

Excluding from consideration the few recently formed short-term trusts it appears that the average life of all the trusts is 31.1 years. A few of the trust agreements provide for perpetual life and 7 for termination in 99 years; the greatest number are to be liquidated in from 10 to 20 years.

Many studies have been conducted to determine the average period during which an individual stock will continue to retain an investment status. The results obtained have all pointed to a length of time varying from 5 to 25 years.

In general, the stocks selected by a fixed trust have been those which enjoyed the highest investment standing at the time the trust was formed. In the brief period covered by the analysis changes in the relative desirability of many issues have taken place which have accounted for great differences between the portfolios of trusts formed within a few months of each other. The comparatively short period during which a stock can be expected to retain an investment status suggests some doubts as to the ultimate value of those portfolios which remain unchanged for a long term of years.